


A Feasibility Study for an International Horse Park in *Aiken, South Carolina*

A Study Conducted by the
SmartState Center of Economic Excellence
in Tourism & Economic Development
at the University of South Carolina



AIKEN

The background of the entire page features three light blue silhouettes of horses. One horse is on the left, partially cut off. Another is in the center, facing right. The third is on the right, also facing right, and is the largest of the three. They are all in a walking or trotting pose.

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August, 2012



Acknowledgements

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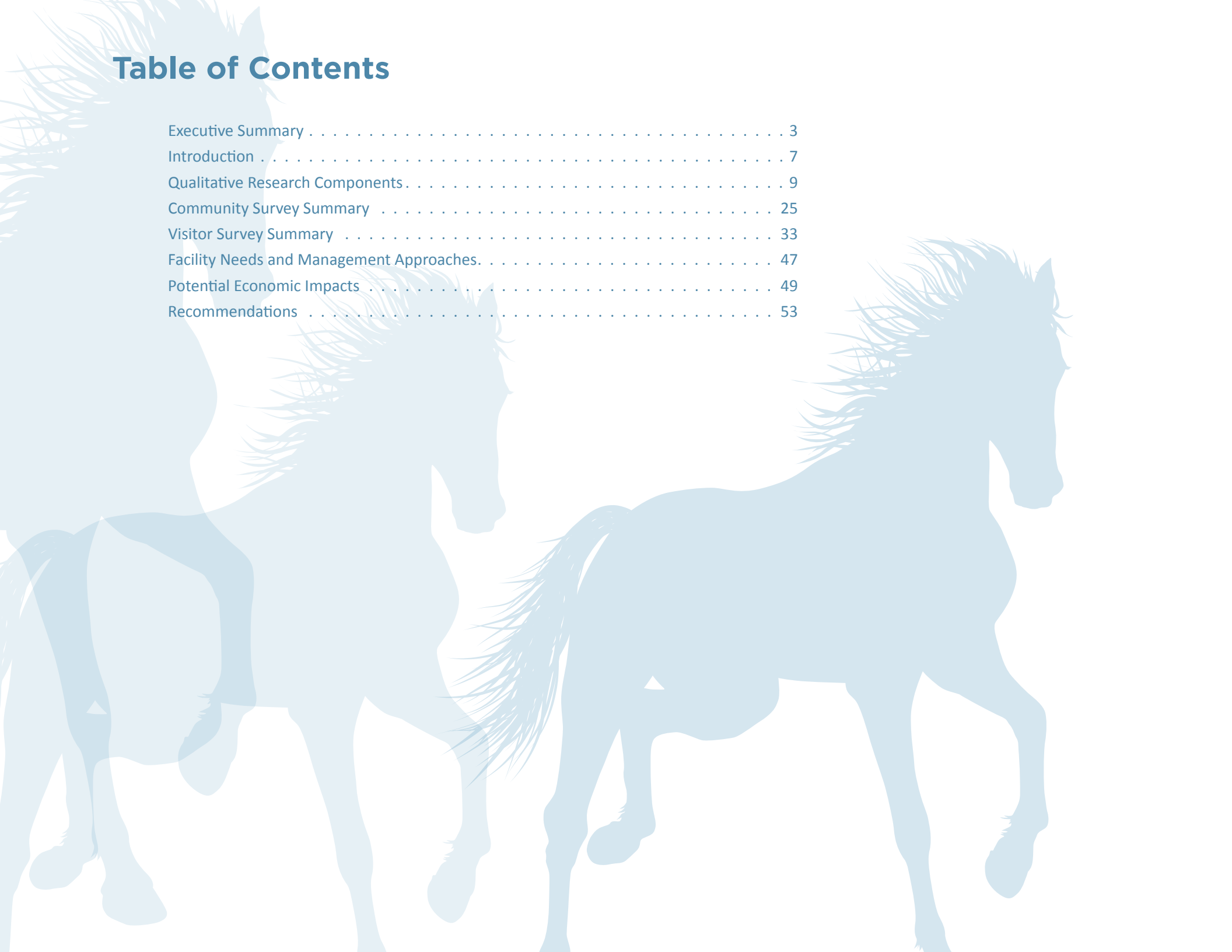
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Thanks to:

- The Greater Aiken Chamber of Commerce
- Bob Durand Design—Photography
- Brooke Stillwell—Graphic Design

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Executive Summary

This feasibility study involved an extensive assessment of the economic, social and environmental impacts of a proposed multi-use international horse park in Aiken County. Multi-stage, mixed research methods were employed, including an industry analysis, site visits to existing horse parks, interviews with leading industry professionals, focus groups and in-depth interviews with local stakeholders, and surveys of Aiken residents and potential visitors.

Visits to six major international horse parks were particularly enlightening, revealing a number of important considerations for Aiken should the city move forward with a multi-use international horse park. Community outreach is clearly critical to ensure the support and involvement of local residents, as is extensive planning and the employment of an experienced management team to run the facility. Any new horse park should develop diverse, environmentally friendly strategies to encourage sustainability, and such a facility needs the capacity to host diverse activities that are compatible with equine events. Working to extend and expand the equine events calendar also seems essential to sustaining any large horse-related facility. Stakeholders at the horse parks reviewed were generally in support of Aiken's potential to succeed with such a facility given that the city already has a very strong horse culture and is well positioned geographically.

Stakeholders in the focus groups and in-depth interviews conducted in Aiken recognized the importance of the equine industry. However, respondents had more reservations about the proposed horse park than they did favorable opinions. Major concerns, particularly from those already in the equine business, were the fears of losing the flavor and character of Aiken, and the potential cannibalization of existing equine businesses. Another frequent theme was better utilization of existing equine facilities instead of the development of new ones. A great deal of concern was expressed about horse parks nationwide typically operating at a loss, and the fear that a new facility could just bring more competition to an already saturated market with few available dates. In both focus groups and decision-maker interviews, several people showed strong support for private sector development and provided negative opinions about any involvement with government funding.

However, results from the community survey were quite the opposite. Most of the Aiken residents believe that a new multi-use international horse park will encourage more visitor spending, increase jobs in the community, and will provide economic benefits to local people. The majority believes it will enhance the positive image of Aiken and that it will offer additional activities and recreational opportunities for local residents. In fact, most of the respondents indicated that development of the horse park was 'the right choice for the Aiken community' and generally supported the idea.

The results of the survey of equine tourists and potential visitors were also generally positive. Equine participants and spectators already have a high awareness and positive image of Aiken as an equestrian tourist destination and would welcome the opportunity to visit the new facility. Most would travel by car to the horse park, and are willing to spend two to four nights in Aiken visiting the park. Respondents showed most interest in jumping, dressage and lessons and training. Other popular activities include trail riding, fox hunting, polo and natural horsemanship.



In terms of the possible make-up of the new horse park, the community of Aiken preferred the idea of an outdoor amphitheater for competitions, festivals, tradeshow and concerts. They were also amenable to the proposition of the horse park housing education facilities, a visitor center, a snack bar and boarding facilities for horses. They were least interested in jousting, boarding facilities for hounds and a 5,000-seat enclosed arena. The community was clearly interested in the potential for more concerts and music festivals, local events and restaurants, but they were not particularly interested in equestrian camping, tennis and basketball. Potential visitors on the other hand feel that the most important components of a new international horse park in Aiken should be parking for trailers and/or RVs (with utility connections), boarding facilities for horses, and snack bars. Other highly-ranked items were sustainable/ green facilities, a cross-country course, an outdoor amphitheater, campgrounds, an indoor arena and educational facilities. Potential visitors would also like to see veterinary services as a key amenity in the park, as well as restaurants, hotels, camping, riding lessons and concerts and music festivals.

The study used the Impact Analysis for Planning Model (IMPLAN) to analyze the potential economic impact of the proposed multi-use horse park on the Aiken MSA region of South Carolina. Data was projected for three levels of utilization in the new park—low, medium and high. Medium utilization would mean attracting 225 events each year to the park—two thirds of those events being equine-related. At this level of use, the new horse park could expect to attract approximately 428,000 attendees. This would have an annual spending impact of about \$38 million generating 575 full-time jobs and \$2,915,503 in indirect business taxes. The costs to build such a facility would be between \$98 and \$136 million. Financing the equine park



could come from a mix of sources, including state economic development money and federal grants.

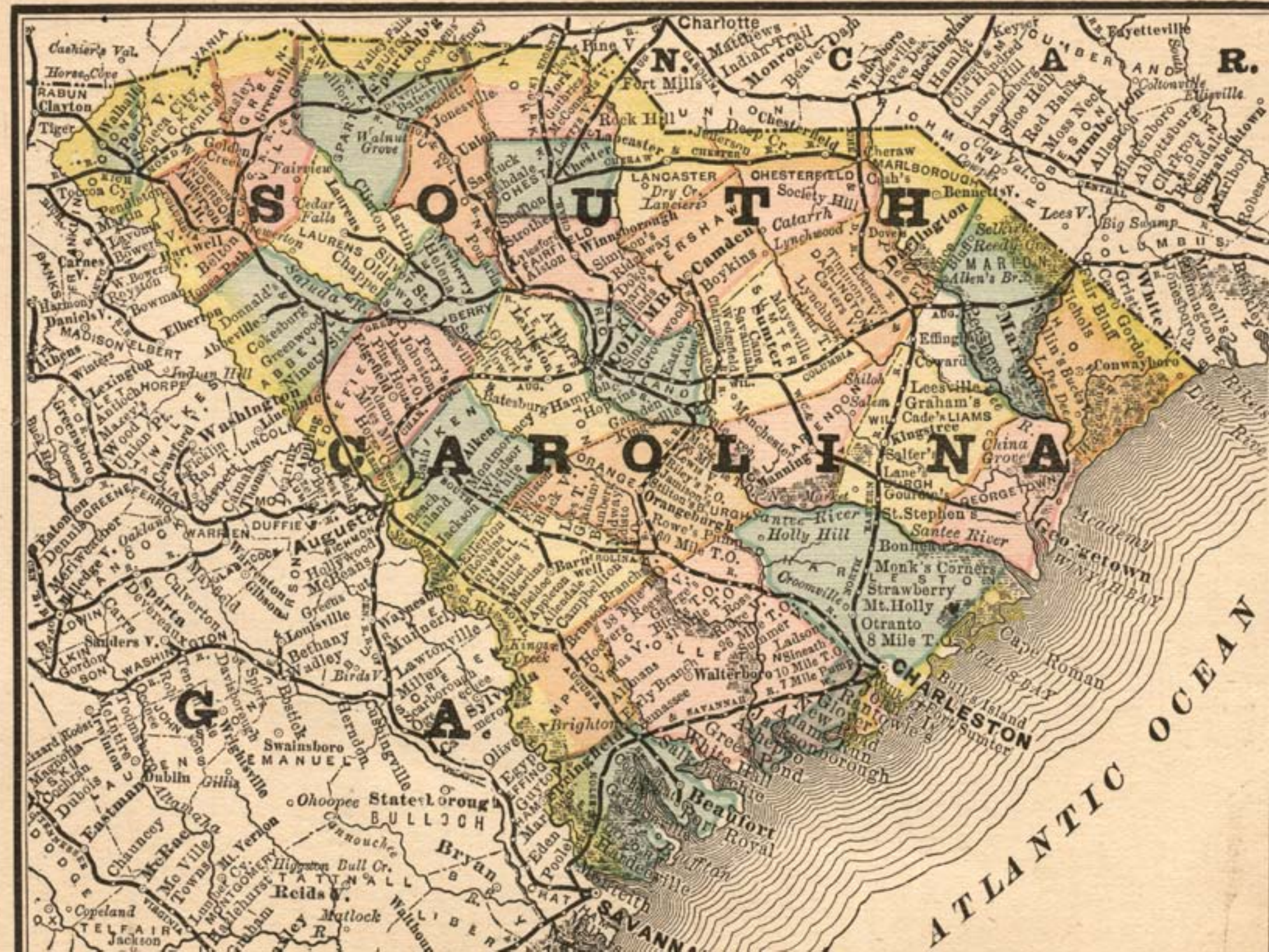
Based on the results, a number of recommendations have been made by the team. Firstly, we recommend stakeholders in Aiken proceed cautiously with a phased approach to development. This could begin with the construction of facilities that can serve multiple equine disciplines, such as an indoor arena, an outdoor pavilion, a cross-country course, and educational facilities. Experience from previous developments of this nature suggests that extensive planning is critical for survival, so an approved Master Development Plan should be prepared. Some form of public-private ownership and operation needs to be created, and employment of an experienced management team to run the facility is essential. Working to extend and expand the equine events calendar in Aiken will also be critical to sustaining the new park.

Secondly, although the development of a new horse park may indicate a healthy economic impact for the community of Aiken, stakeholders must consider the triple-bottom-line and ensure that the project also results in positive social and environmental impacts. Community outreach and education is therefore critical to ensure the support and involvement of local residents. The new horse park should also develop diverse, environmentally friendly strategies to encourage sustainability. There is strong support in the community for LEED certified facilities and environmentally sensitive development. Aiken also has the potential to leverage events at the new horse park well beyond the obvious economic impacts. It is therefore recommended that stakeholders involved in the development of the new horse park examine leveraging strategies used by other event organizers that have generated substantial benefits from hosting

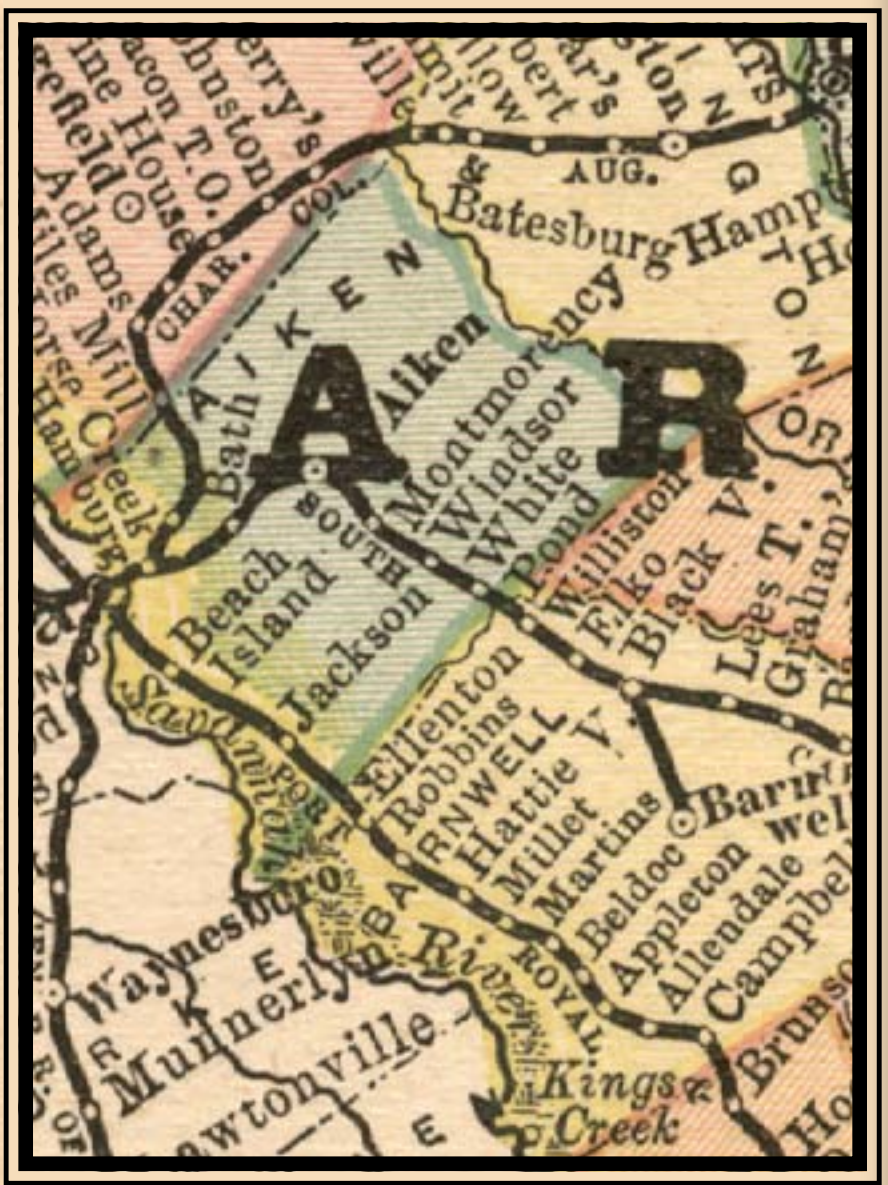
events—well beyond the immediate economic impacts.

Finally, and perhaps most importantly, if an international horse park in Aiken is to survive and prosper, it must employ strategies to create a multi-functional facility that generates revenue from within and outside of the equestrian industry. This means designing and building facilities with cross functionality that can serve multiple equine disciplines, and providing appropriate support services (equestrian related and non-equestrian related) necessary for international competition such as parking for trailers, horse boarding, veterinarian services, concessions, restaurants and hotels. The new facility will also need to offer entertainment opportunities beyond the equestrian activities that satisfy both local and visitor consumer demand. The four main desired entertainment options for locals are concerts/ music, local events, shopping and restaurants. The facility will also need to embrace events beyond the needs of the equine/horse community that fit the venue capabilities. Empty facilities generate no revenue and if the proposed international horse park in Aiken is to succeed, it must look to maximize revenue through multiple event days. Since there are only a limited number of international horse events, the venue must look to embrace events that fit within the venue’s capabilities. A cross-country course for example, with very little alteration, can also fit the needs for either mountain bike racing or track and field cross-country events. Likewise, an indoor arena and an outdoor pavilion are easily adaptable to multiple non-equine events.





STATE OF SOUTH CAROLINA.



Introduction

There is little doubt that the horse industry has played a defining role in the social and economic development of the Aiken area. Incorporated in 1835 as the county seat, the City of Aiken embraced the local equine community early on with the area itself coming to prominence in the 19th century when wealthy Charlestonians began spending summers in Aiken. Aiken became known as the 'Winter Colony' by the Northeastern elite. This prosperous group included many well-respected equestrian enthusiasts. Today, at least 11 equine disciplines are represented at a variety of venues throughout the region. The current horse community is almost equally divided between competitive and pleasure riders, all of whom support this vibrant industry. Equine activities continue to bring in many visitors and out-of-town horse owners and riders. Revenue generated by this industry is substantial and includes hotel stays, restaurant patronage and equine services. Equine services include boarding, veterinary and farrier services and the purchase of grain and feed.

Horse Parks

A horse park is described as a large-acreage venue with permanent facilities to accommodate multiple disciplines and equestrian events as a primary activity. Three characteristics advantageous to the development and success of a horse park are a local equine culture to provide industry support, adequate accessibility and proximity to populous areas, as well as sufficient land and facilities for hosting varied, multiple shows or events. Horse parks may vary significantly in size and scale with larger parks typically hosting both equine and non-equine events. Equine shows are typically demonstrational or competitive while other events may be educational, therapeutic or purely recreational in nature. Non-equine activities also vary with parks catering to a variety of fairs and shows while hosting more local events and private activities.

Horse parks operate in the context of several organizational and functional capacities. In 2012, 16 state horse facilities are registered with the American Horse Council (AHC), a national trade organization based in Washington, D.C. This number includes four state fairgrounds, three agricultural centers and a multipurpose livestock arena, all of which engage in horse industry activities. The majority of the facilities are located in southern and eastern states or states on the East Coast, with the exception of facilities in Oregon, Idaho and Indiana. A number of horse parks, such as the Texas Horse Park and Washington State Horse



Park, are not formally registered with the AHC. Horse parks nationwide are predominantly public-private undertakings, involving city, county or state government collaborations and quasi-governmental oversight. For example, the Colorado Horse Park is supported by a municipal district. Some horse parks are non-profit organizations.

The financial success of horse parks is at times uncertain, especially over the short term or following periods of expansion or major renovation. A number of studies have been conducted on the economic impacts of horse parks. Some are positive. A study on the impact of dressage at the Jim Brandon Equestrian Center in Wellington, Florida suggested that total expenditures (human and horse related) amounted to \$44 million in 2011. That same year, polo in Wellington was responsible for over \$20 million of spending. A 2008 study of the Florida Horse Park calculated that the park created approximately 246 jobs and \$5.6 million in labor revenue, while the overall economic impact on Marion County and the State of Florida was an estimated \$75 million.

Other studies show horse parks operating at a loss. The Gloucester County Improvement Authority (GCIA) operates a three-year-old, multi-use equestrian park in New Jersey that has annual losses of roughly \$1.1 million in operating expenses. The Kentucky Horse Park has been running an annual deficit since 2008. The deficit, which started at \$47,000 in 2008, has ballooned to \$3.6 million. However, the fact that the World Equestrian Games held in Kentucky in 2010 had an economic impact of \$201.5 million for the state including \$18 million in state taxes, shows that horse park day-to-day accounts should not be considered in isolation.

Feasibility Study

The idea for developing an international horse park in Aiken originated with Tourism Development International (TDI), an Irish consulting company commissioned by the South Carolina Department of Parks, Recreation & Tourism (SCPRT) in 2008 to research the state's tourism potential. TDI noted that Aiken's attractive lifestyle and cultural heritage coupled with existing equestrian facilities and expertise suggested development potential both "rare and difficult to find in other equestrian centers in the USA." Situated along the western edge of the state, Aiken County is among four counties designated as Thoroughbred Country by South Carolina's Regional Tourism Organization.

In 2011, the Aiken Chamber of Commerce produced a white paper on the possibility of developing a horse park. In early 2012, the SmartState Center of Economic Excellence in Tourism and Economic Development at the University of South Carolina in Columbia was hired to conduct a privately funded feasibility study to examine the idea. The report that follows is the result of an objective and extensive assessment concerning the economic, social and environmental impacts of a proposed multi-use facility and international horse park in Aiken County.

Study Objectives and Methodology

Specific research objectives for the development of a multi-use facility and international horse park included the following components:

- analyze the potential demand for both the equine and tourism products in Aiken
- determine the current tourism supply
- gauge support among industry stakeholders
- determine possible constraints to development
- determine the economic impacts
- determine the environmental impacts
- explore funding options

Multi-stage, mixed research methods were employed to explore the numerous aspects and considerations that a proposed horse park suggests. Site visits of existing horse parks and interviews with leading industry professionals were undertaken nationwide, focus groups and interviews on perceptions of stakeholders and industry leaders were conducted, and local current and potential visitor demand survey studies were undertaken. A resource audit, economic impact study, and a sustainability analysis were also completed. A brief overview of each portion of the study follows.



Qualitative Research Components

This chapter provides summary information on the results of focus groups, key decision interviews, and site visits to existing horse parks.

Focus Groups

Three focus group discussions were held in Aiken in late February 2012. Each session lasted for 1–1.5 hours. The focus group participants included local stakeholders, horse industry practitioners, community leaders, equine business owners, and other related key people in Aiken. Perceptions and attitudes towards this potential horse park were solicited from participants, along with opinions on the possible scope and nature of the project.

In this section of the report, a summary of focus group discussions are presented by topic. Quotes of focus group participants are shown in italics.

Aiken, SC and the Local Horse Industry

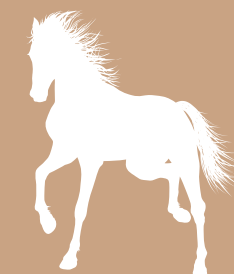
Aiken was described as having small town appeal and a strong reputation for standards of excellence across equestrian disciplines. Participants commented on Aiken's diversity and a thriving downtown area with eclectic, locally-owned arts and cultural offerings. Natural beauty and historic sites were noted for enhancing quality of life as well as encouraging visitors to the area. Participants described the equine industry as integral to the history and character of Aiken and vital to guiding its future development.

"Throughout the history of Aiken the equine industry has been very instrumental in the economy in the City of Aiken. I also think it is the equine industry that has helped the City of Aiken to preserve the character and charm of our city, and so I think it is a vital part of Aiken going forward from here as it was a vital part of our history in the past."

In terms of future development, two key themes noted were preserving what is unique about Aiken and encouraging Aiken's progress. The importance of preserving the flavor and character of Aiken and avoiding adverse impacts such as traffic congestion were stressed. Particular emphasis was given to the importance of preserving and acknowledging the contributions of local businesses by protecting them from being cannibalized. The threat of "bringing in a giant Wal-Mart" was mentioned on numerous occasions.

"I do not want to see anything come in that would hurt or harm any of our small business people in any way. You know, they have been here. They're the ones that have made the sacrifices that have made the donations to get the city where it is today and I certainly don't want to see anything that would come in to harm them."

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On the other hand, the process of bringing people together for open discussions, enticing individuals out of (their) comfort zone, and planning to ensure positive growth, were described as important.

The Impacts of the Proposed Horse Park in Aiken, SC

Participants in all focus groups discussed the perceived drawbacks and benefits associated with the proposed project. Participant opinions ranged from the need to support and promote existing venues and strengthen local businesses, versus the opportunity to generate greater volumes of visitors and international level competitors which may in fact complement as much as compete with existing events and facilities. Aiken was described as an established and self-sustaining equine community, whereas many of the horse parks in the Southeast were originally established as competitive venues.

“Well you know, it’s horses, it’s what we’ve been known for. ... Why try to reinvent the wheel? We should grab hold of that and run with it.”

Focus group participants estimated that there are now 16 area facilities that charge for horse events and boarding. Organized events include driving competitions, dressage, hunter jumper shows, and polo matches. Eventing was further described as a booming local business. Many participants supported the uniqueness of local offerings hosted by small-scale enterprises and private farm owners who invest individual flavor and passion into events. By contrast, bigger facilities were described as cold and lacking in charm. It was noted that the individuals who operate these small venues are well integrated into the local community, providing assistance and support to the wider equine community. The issue of quality versus quantity was also raised. Growth for its own sake was contrasted with a desire to strive for excellence at smaller scales. In a theorized “twice as big becomes

half as good” scenario, it was suggested that existing strengths might actually become diluted through expansion.

“I personally have mixed emotions. I came up here from Orlando, FL and I saw what Disney World did to Orlando. I think this multi-facility horse park is to Aiken. ... as Disney was to Orlando. ... I mean we have big name riders come here (and). ... so from the standpoint of being a spectator I would like it but I also don’t want, you know, the traffic and any of our local things to get diluted.”

Some participants in favor of the proposed facility held that the Aiken community should evaluate horse industry needs in terms of future development. As one participant expressed, a large multi-purpose facility might become the leading horse park in the Southeast. A few stakeholders suggested that the proposed horse park might become a distinct product geared towards international and national level competitors without infringing on existing venues or events as anticipated. Participants recognized that although many people remain resistant to change, strong economic growth is necessary if long-term stagnation is to be avoided. There was speculation that, “twenty years from now” private owners of smaller venues might decide to sell or move away which would have a negative impact on the local horse industry. In a broader context, participants said that a lack of strategic planning internally may result in Aiken’s inability to facilitate growth or even support the existing equine community over the long term.

“The next step is to have some kind of horse master plan for Aiken because I guess being more involved with the Equine Steering Council recently, we started seeing other communities that have lost their horse industry because they didn’t pay enough attention to open space and issues that were important. I want to find ways to preserve it so it doesn’t go away and I think it could grow.”

Obstacles and Opportunities Associated with a Proposed Horse Park

A great deal of concern was expressed concerning horse parks nationwide typically operating at a loss. The Kentucky Horse Park was cited for its dependence on state funds to cover annual operating shortfalls. Such shortfalls were attributed to poor management and difficulties associated with securing dates and staging events at a profit. Many participants felt that horse shows do not typically generate sufficient public interest for organizers to charge admission for spectatorship.

Focus group participants expressed concern that a new facility would bring more competition in an already saturated market. With multiple events staged as often as six days a week in Aiken between January and the end of March, even a heritage event like the annual Steeple Chase might suffer adversely from competing attractions at a large facility. One participant said that South Carolina has 13 equestrian complexes already and over 400 scheduled events amounting to more than seven per weekend.

On a regional level, within the local zone defined by the governing United States Equestrian Federation, there are 147 hunter jumper events or just over 2.8 per weekend already in existence. Public and private interests must apply for dates to host shows and events through the US Equestrian Federation by discipline. Most dates are already taken according to specific venues and may be retained indefinitely by recipients. Within disciplines, events are also temporally (regulated calendar) and geographically (mileage rules) spaced, limiting their overall numbers and frequency.

A number of focus group participants suggested adding new equine activities to the area, including the possibility of hosting Western-style cutting and reining horse shows or events.

“I would love to see more facilities for Western shows. It wouldn’t compete with any existing facilities, as you need very specific facilities to accommodate cattle. The closest one that is adequate is a four hour drive away.”

Clinics for hunter jumper enthusiasts were also suggested. The Aiken Spring Classic was described as having potential for growth even though it is already the largest event of its kind hosted in the state. An indoor polo arena, a training track for the polo community and therapeutic equine activities for veterans and children with handicaps were also recommended. Ample green space and provisions for protected areas and outdoor amenities that a horse park development might entail were enthusiastically supported.

A previous study identified recreation in all forms as a community priority. Walking and biking trails, a covered facility for track and field competitions, a camping area and a soccer stadium were mentioned. Other suggestions included space for tractor-pulls, monster truck and dog shows, and possibly a lure course where sight hound dogs follow an artificial lure in a speed competition. Focus group participants added that a new venue should be big enough for musical events, arts and crafts fairs and antique shows.

Location

The town of Aiken was noted as being well situated relative to Columbia, SC, Augusta, GA and Charlotte, NC. If a horse park is developed near the county line or off Interstate 20, one participant suggested it would not become part of the local community. While a location further out from town would eliminate concerns regarding congestion, “a trickle of visitors into the town itself” was noted as desirable. Areas to the north, east, or northeast of Aiken were described as having the necessary amount of available land. Another suggestion was that a horse park on the Augusta side of Aiken

would “draw people from Georgia.” Locating a park “across from Hitchcock Woods” was also suggested.

Other Considerations

Environmental Awareness: There was strong support for LEED certified facilities and environmentally sensitive development. A participant said that a horse park should include a conservation easement to ensure that the land is not resold or repurposed for development. Attracting the “right kind” of tourist and environmentally sensitive tourism development were identified as desirable.

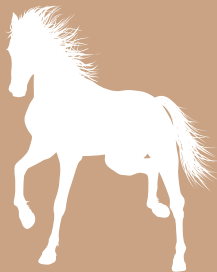
“The goal is to find good tourism, eco-tourism, and people that you know come walking in the woods... like this horse park theoretically could be.”

Veterinary Facilities: Several participants said that Aiken does not have full veterinary services to support a large, international horse industry. Horses are typically shipped as far as Athens, GA for treatment. While there is a surgery suite at Southern Equine, participants said it is not equipped for colic surgery. There is also no local equine ambulance.

State Restrictions: Controversy over the Confederate flag was identified as a possible impediment for attracting national associations to events in the state. Reviving the local thoroughbred industry by building a race track in Aiken would benefit from the legalization of gambling which was viewed as unlikely.

Seasonality: The seasonality of horse events was described as problematic for maintaining a facility year round. Wellington, FL was offered as an example of a horse park that is used extensively and can host up to 5,000 horses for two or three months a year but is deserted over the summer months.

“The goal is to find good tourism, eco-tourism, and people that you know come walking in the woods... like this horse park theoretically could be.”





Local Resources: Apparently, there are 1,000 hotel rooms in the town of Aiken but these are scattered throughout and around the town making existing accommodations not conducive for hosting larger groups that might require meeting facilities. Local infrastructure and services would most likely need to be expanded and developed.

Town Hall Meeting

On March 12, 2012, approximately 115 people attended a Town Hall meeting that was called together by citizens concerned about the possibility of the development of an international horse park in the Aiken area. The Town Hall meeting was publicized by phone calls, e-mails and information in the local newspaper. Eight people from the community spoke to the group. Four members of the USC research team attended.

Six of the speakers raised serious concerns about the potential project, and two speakers expressed interest in learning more about the possibilities. The following common themes were expressed by three or more speakers:

- Aiken already has many successful equine resources
- New development should not threaten Aiken’s ambiance, culture, and traditions
- New development should not threaten Aiken’s existing equine industry
- Horse parks sometimes fail and sometimes require government funding

Key Decision Maker Interviews

The following section summarizes key points of the 16 key decision maker interviews conducted. Interview subjects included leaders from the equine industry, people affiliated with tourism organizations from the private and public sectors,

and business owners and employees from the Aiken area.

Pride in Aiken

Although interview subjects disagreed on many issues, the one area of strong consensus was commitment to and affection for the Aiken community. Interview participants used words such as “beautiful,” “wonderful” and “great” to describe the city and expressed pride and satisfaction with Aiken’s diversity, art and cultural activities, levels of civic activities and the University of South Carolina at Aiken. Several people interviewed mentioned Aiken’s beautiful downtown area and others talked about the thoroughbred racing hall of fame, the museum, gardens, and the planetarium. Comments included the following:

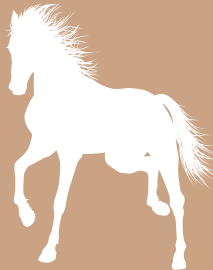
“It is a vibrant town. It has the charm of the south but is sophisticated and diverse.”

It is unprecedented to have so many horse shows in a five-mile area. I don’t think there is another place in the country that does what we do.”

Opinions About the Possible Development of an International Horse Park

Interview subjects were asked to provide their “initial thoughts about the feasibility of a proposed international horse park.” Ten of the sixteen people interviewed held more negative opinions about possible development of a major horse park in Aiken. The majority of subjects agreed “you have to capitalize on what you have. You don’t try to reinvent the wheel.” Although six of those interviewed support the idea of an international park, the overall themes expressed included in the remaining interviews were : (1) a commitment to focusing more on existing equine facilities and events, (2) feelings that the development of a

“It is a vibrant town. It has the charm of the south but is sophisticated and diverse.”





major horse park and multi-use facility would “kill the existing horse parks,” (3) concerns about the ability of horse parks in other places to stay fiscally solvent, and (4) feelings that private investment is superior to using government dollars to support a new, major center. Comments that support these themes include the following:

“The existing horse facilities we already have would be impacted by the building of the international horse park. It would kill the existing horse parks. There are so many large horse parks in driving distance of Aiken and they are not making it financially. Taxpayers will end up having to pay for this.”

“We already have plenty of private equine business, without the influence of government support. I am a big believer in private enterprise and don’t want to subsidize something that will hurt the independent equine industry. Don’t want to be like the Georgia horse park and do something that fails.”

Six of the interview subjects expressed support for the possible development of the international horse park. One person stated that “the people I know apart from the ones I’ve seen at the focus groups are all in favor of it,” and then noted that the people most opposed are those that have businesses that would be in direct competition with a new horse park. None of the six interview subjects that support the horse park development is directly involved in the equine industry and all mentioned the potential of the project to grow Aiken’s economy.

“It would increase the horse community, help the local economy, increase the taxes from visitors and increase spending by the tourists.”

“Negative impacts? I don’t see anything negative if properly funded and not a tax issue. It fits our economy. We have a horse infrastructure and can accommodate growth.”

“I am for this project, big, medium and small. We just need a focus.”

The focus groups raised concerns about the challenges of scheduling new equine events in the Aiken community, a theme that was supported by several of the key decision maker interview subjects. The following comments support focus group findings and summarize concern from the interviews.

“There is an event almost every day from the second week in January to the third week in April. You usually have three events going on. But what are you going to do with another facility. You going to put a fourth event on top of everything else?”

Opinions on Having a Multi-Use Facility

There was a range of opinions on having a multi-use facility developed with some expressing support and some questioning Aiken’s ability to bring in a large number of people for non-equine events. As the second largest city in Georgia, Augusta was described as a major competitor for attendees for a variety of events. Others interviewed were more optimistic and identified the need for a large conference center or conference hotel to draw big groups in for special events:

“If we want to bring in big events, we don’t have the space for it. There is not a central point to draw everybody in.”

“We need places that you can have large conferences and things like that.”

Several people said that Aiken already has good facilities for outdoor sports including the capability to handle softball, football and soccer tournaments. Another common theme was doing a better job of using resources already available in the community.

The Hippodrome was singled out as a facility created for barrel racing, rodeo activities and cutting horse futurities that is no longer used and is “crumbling and falling apart.”

Discussions of creating new event facilities brought up the issues of traffic congestion and the challenges of moving horse trailers through the city and county. One person said that “roads are not really large for these trailers.” He asked “what would happen with more trailers on the streets and highways?” One interview subject said that “if all the hotels are booked every weekend, they are going to build new hotels” and added that “infrastructure will follow development.”

Environmental Issues

There was support for building green and protecting the environment, with some qualifying their support by affirming that making projects “green” shouldn’t add to cost or be done at the “expense of good enterprise.” Remarks on environmental concerns included the following:

“We need to be environmentally conscious (in ways) such as composting, gasification, capturing rain water and using solar power. Sustainability is important.”

“We need proper land use management, composting and water conservation.”

“We’re going to be ‘green’ whenever it makes sense for us financially and fiscally.”

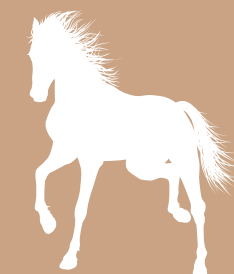
One subject was not concerned about environmental issues and said,

“Being green is a farce. I don’t believe in it.”

Marketing Concerns

There were limited positive comments about the level of marketing done to attract visitors to equine and non-equine events in the Aiken area. Lack of

“We went through the same debate in Wellington that is going on in Aiken right now. The polo players were opposed to development of the equine industry, but now everyone is benefiting. It is a rising tide that has lifted all ships. And, the best polo players in the world now come to Wellington.”





Research team leader Simon Hudson (l) interviewing well-know equestrian Captain Mark Phillips.

funding for marketing was cited as a big problem. Social media was not mentioned and one subject said that marketing is twenty years behind in Aiken. Funding is low for the visitor’s bureau with the director struggling to raise funds to “reprint a brochure about Aiken’s painted horses.” Other comments on marketing included the following:

“Apart from the Triple Crown, I find out about them (events) after the fact and I read the story in the paper the week after it happens.”

“We need to throw more money into the marketing of Aiken. We bring people from all over the world, the country. We have ten Olympians that come here.”

Site Visits to Selected Horse Parks

Research team members visited six major horse parks to interview key representatives and obtain the most up-to-date information regarding multi-use facilities. Site visit locations included the following multi-use parks: the Kentucky Horse Park in Lexington, KY; the Palm Beach International Equestrian Center in Wellington, FL; the Del Mar Fairgrounds in San Diego, CA; The San Diego Convention Center; the Virginia Horse Center in Lexington, VA; and the All England Jumping Course, Hickstead, England. Highlights of each visit are shown in the sections below.

The Palm Beach international Equestrian Center in Wellington, Florida

This respected multi-functional development is located in the western portion of Palm Beach County. The community has preserved 8,000 acres of land that encompass numerous horse farms and facilities and has become world-renowned for equestrian sports and events, particularly during the winter months. The Palm Beach International Equestrian Center hosts the Winter Equestrian Festival that draws hundreds of thousands of horse

enthusiasts from across the US and 23 countries. Prize money for the twelve weeks of competition totals more than \$5.6 million dollars.

Opinions on Horse Park Development

One person in Wellington said, “We went through the same debate in Wellington that is going on in Aiken right now. The polo players were opposed to development of the equine industry, but now everyone is benefiting. It is a rising tide that has lifted all ships. And, the best polo players in the world now come to Wellington.” The same subject said that, “the equine industry is either in growth or decline—you don’t want to stand still.”

The requirements to develop a successful horse park were compared to a stool with legs representing a non-profit foundation like the one that supports the Kentucky Horse Park, a good venue operator and owner(s), and government involvement to help support and grow the development. An essential component for success is a manager who can bring in shows and plan around restrictive event schedules. Aiken was described as the epicenter of equine activities in the springtime, with concentrations of competitors and spectators approaching that of Wellington, at least in the hunter jumper category.

Aiken’s most important resources include the equestrian traditions that Aiken has and an existing, strong equine culture with events like show-jumping and polo already established locally. Aiken is also identified with a number of influential names in the equine industry.

Cautionary advice included the need for extensive planning of any major horse park or multi-use facility and a strong link between the equine and business community. An interview subject said, “We didn’t need what we were doing (at first) and we are paying for it now. There wasn’t enough planning.”

Strategies to Sustain Development

Wellington stakeholders suggested that the government could own the development and donate it to the town or county of Aiken or lease it to an operator. This strategy of public ownership ensures that the facility cannot be sued for more than \$1 million. Other ways to ensure sustainability were to explore becoming an Economic Development Zone, to take advantage of grants from the United States Department of Agriculture, and to secure land donations to a land trust or preserve to help ensure open space.

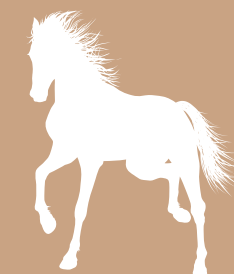
Interview subjects noted the need to expand beyond established disciplines and explore avenues such as endurance racing and Western riding activities. This strategy would attract new target audiences and would not compete with existing events that are part of the English riding disciplines. In the early stages of planning in Wellington, members of the equine community expressed strong concerns that new developments would provide unwelcome competition for existing events, but the newer equestrian facilities appear to benefit all disciplines. Creative use of equine facilities is important. For example, 3,500 girls recently participated in a field hockey tournament on Wellington’s 61 polo fields.

In Wellington, the venue operator receives some financial support from local businesses on proven expenditures such as hotel stays and restaurant visits. Economic impacts are generated through outside money coming into the area as well as money circulating within the community. One interviewee suggested a focus on merchandising as important for revenue generation and in developing a venue’s brand identity.

Other Observations

The equine industry in Wellington has stabilized property values, which have been enhanced because

“Aiken has a very strong horse culture. We have had show jumping and polo for a long time here, but not as long as Aiken. Aiken is also well-positioned geographically.”



of low-density building. Wellington maintains at one house for every ten acres. Interviewees said that the equine community values low density.

One person said that “Aiken has a very strong horse culture. We have had show jumping and polo for a long time here, but not as long as Aiken. Aiken is also well-positioned geographically.”

The Virginia Horse Center

The Virginia Horse Center is north of Lexington, situated between the Blue Ridge Mountains and George Washington National Forest on the western side of the Commonwealth. The 600 acres include the horse park itself with nineteen show rings, eight barns that accommodate approximately 1,000 horses, a cross-country driving course, catering facilities and campgrounds. Two cross-country courses host events through the intermediate level. The coliseum can accommodate over 4,000 spectators.

Operating Information

Although the Center began operation as a public-private partnership, it is now a non-profit organization under the direction of a foundation board. Alumni provide support and there is a two percent local hotel tax that helps service the Center’s mortgage debt. The Center secured a USDA grant that helped reorganize debt after the public-private partnership was dissolved.

Opportunities for alternative revenue generation are limited. The Center includes a banquet hall and restaurant. Show managers bring in concession stands, souvenirs vendors, vets and farriers. Facility rental fees generate the majority of revenue.

Energy costs, water and sewerage were noted as the highest operating expenses. Hauling debris after mucking stalls is a mounting cost that the horse center is attempting to address through

onsite composting. A major operational concern is providing the appropriate footing, which is specific to and differs across equestrian events. The time, cost and efforts required to maintain appropriate footing is a deterrent to staging alternate events such as BMX shows in the covered arenas.

Expanding Facility Use

The equine events that draw paying spectators are typically limited to rodeo and bull riding shows. An interview subject said that it is important to identify commercial benefits from equine visitors early in the development of a horse center. Other kinds of activities that are hosted at the venue include dog shows, regional fairs and local farmers markets.

Working to extend and expand the equine events calendar is essential to sustaining any large horse-related facility, even though the larger international and national shows have precedence in terms of securing dates. An interviewee noted that hosting and fostering shows at the local level builds contacts and facilitates relationships that help expand the equine calendar.

The Virginia Horse Center Foundation enhances community relations through educational seminars, field trips, and weekly music jams that are free to the public. Many equine activities are also free and open to the public. Community focused events, concerts and receptions are hosted on site at competitive rates. The grounds are also open to the locals for hiking or running, free of charge.

The Kentucky Horse Park

The Kentucky Horse Park is a multi-dimensional, 1,200-acre attraction that offers both varied events for equine competitors and spectators and an array of family friendly experiences for visitors. The Park can stable almost 2,000 horses, and has fifteen horse show or schooling rings and a covered arena that can seat up to 6,000 people . The International

Museum of the Horse is considered one of the leading equine museums in the world and is affiliated with the Smithsonian.

Operating Information

The Commonwealth of Kentucky purchased the property for the Park. State appropriations support capital improvements and debt service. Land has been leased for public and private use and rules and regulations help avoid high-density development. There was consensus among Kentucky interview subjects that government support has helped the Park develop and expand a variety of facilities and events that draw competitors, spectators and visitors.

The park has not drawn the projected 1 million annual visitors with the possible exception of large high profile events such as the 2010 World Equestrian Games. Nonetheless, the horse park has maintained a strong visitor focus with horse events that cater to tourists’ interests.

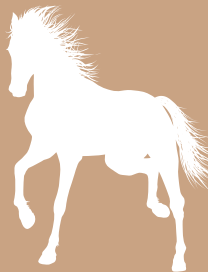
The central feature of the park is a section of the dressage complex surrounded by a racetrack. This area supports on-going riding and training activities that appeal to visitors with limited interest in organized horse events. Park renovations have typically been undertaken to prepare for specific events. In 1974, American Bruce Davidson won the World Championships in Burghley, England which gave the United States the right to host the event. When the Kentucky Horse Park was selected as the site for the subsequent World Championship event, dressage arenas and a cross-country course were developed.

Revenue Development Challenges and Strategies

Horse parks experience seasonal revenue generation. While late winter and spring may be lucrative periods, attracting visitors the rest of the year is often problematic. For the Kentucky Horse Park, an estimated 60 percent of the park’s revenue



“We need to throw more money into the marketing of Aiken. We bring people from all over the world, the country. We have ten Olympians that come here.”



stream comes from horse events and includes stabling fees and funds from Equestrian Events, Inc. (EEI). The remaining 40 percent is attributed to tourists visiting the park and museums.

Interviewees stressed the need to ensure excellence in equine activities and to respond to trends in the equine community that can increase revenue. One person said, “If you put on a jumping show, the riders will come just to participate in the show. If you put on a great event more people will come. If you put on a “Mickey Mouse” event, the people in town will come.”

Driving was identified as a sport that is growing fast that will bring out spectators if marketed correctly. One interviewee said, “there is nothing more exciting that European hand driving.”

Aiken was identified as an equine community that already has competitors and spectators interested in this discipline.

Interview subjects in Kentucky and horse park representatives at other site visits agreed that committed equine enthusiasts are more likely to travel long distances to enjoy a top-notch event. Three interviewees in Kentucky stated that the equine community would support another four-star event, especially in the Fall months.

One interview subject stressed that a quality facility presents a range of opportunities for hosting events across disciplines. The availability of full vet services on site or in very close proximity to a horse park was identified as essential, especially at the higher levels of competition where owners are not willing to risk the welfare of their animals.

While Aiken’s potential is apparently clear, another industry representative noted that the dominance of Wellington across a number of disciplines means that Aiken might only be able to host B circuit events during the active season in Wellington.

The All England Jumping Course

The team’s research leader visited the All England Jumping Course in Hickstead. Run by the Bunn family, the showground is one of the premier equestrian venues in the world. Since 1971, Hickstead has hosted the FEI Nations Cup of Great Britain. Now incorporated into the Longines Royal International Horse Show, it features leading riders from the top eight countries in the world competing for the disciplines largest show jumping prize. In 1996, Hickstead introduced dressage as another Olympic equestrian discipline. Hickstead became the site for the European Dressage Championships seven years later, and opened the All England Polo Club in 2006.

Information on Operations

The Hickstead facility recently celebrated its 50th anniversary as the home of show jumping in Great Britain. In the past few years, there has been more than \$1.5 million invested in refurbishing the facilities, which now include six arenas, permanent seating for 5,000+ spectators, 26 corporate hospitality suites and conferencing and entertaining facilities for up to 250 people.

Hickstead representatives reported that their equine activities are seasonal with the summer months being the busiest time. Management has started offering all-weather winter polo and is exploring the possibility of offering music events.

Television rights ensure that this privately-owned facility is able to operate at a profit. Television rights in the United States do not generate significant revenue, with the exception of a few major events that are popular with a diverse audience. In America, the entrance fees are often three times higher, but there is less interest from the media. Hickstead’s main challenge is not community opposition but community indifference. Events are not well-supported by local people. The show grounds do

have a significant economic impact. A 1999 study revealed that just one four-day event generated \$4.5 million in the local community.

Interview Subjects Opinions on Aiken

The owners of Hickstead noted that developing an expanded equine calendar is critical for Aiken. Suggestions included fitting new events around existing dates and events and ensuring that prize money is substantial. The riders will follow the big prize money and then amateurs will want to go where the professionals go. One person said that Wellington in Florida enjoys good weather in the winter months when weather is poor everywhere else. Wellington was identified as a horse park that has an excellent reputation among European riders.

In terms of what facilities the Aiken horse park should have, the owners of Hickstead referred to how the Spanish have been successful in creating self-contained horse park complexes that have numerous non-equestrian activities such as spas, swimming pools, bars, tennis courts, golf courses and housing. The Oliva Nova Equestrian Centre is a good example. For the North Americans, exclusivity and top-notch services are generally important for those in the equestrian world.

West Coast Visits with a Sustainability Focus

The team expert on sustainability visited the Del Mar Fairgrounds, a multi-use facility and award winner for environmental initiatives. The Fairgrounds is a public facility that falls under the administrative oversight of the local District Agricultural Commission on behalf of the State of California.

He also visited the San Diego Convention Center, an operation that hosts major conventions, trade shows, meetings and special events. The Convention Center is an industry leader in

developing diverse, environmentally friendly strategies to encourage sustainability. The following segments include summaries of visits to both destinations.

Management and Staff

The financial viability of a large-scale venue hinges upon an effective management team. The current CEO of the San Diego Fairgrounds is credited with turning a break-even proposition into a profitable enterprise. Supported by a progressive board, upper management has opened the grounds to a more diverse range of activities and revenue streams, hosting numerous events and ensuring that the grounds are busy throughout the year. As a public entity, all profits are reinvested into the grounds themselves.

The Convention Center’s profits are reinvested in capital improvement projects. Center leaders said there must be a focus on energy saving strategies during the earliest stages of design and construction. Savings from environmental initiatives are usually realized long term, roughly five to ten years after implementation. The Convention Center targets entertainers, many of whom are self-described environmentalists. This has boosted the Center’s ability to market green initiatives.

Environmental Sustainability

Leadership at the Del Mar Fairgrounds said that staff training and education are critical in ensuring effective environmental strategies. A “green team” comprised of department representatives provides oversight of daily operations, ensuring that the facility continually works to reduce high resource consumption and waste generation.

Management encourages efforts to maximize resources and limit negative impacts to the environment. Anticipated operational benefits and cost-savings have been demonstrated post-

implementation, ensuring future backing of similar initiatives. The Center is committed to staff training as a way to continue and strengthen ongoing recycling and environmental efforts.

Recycling

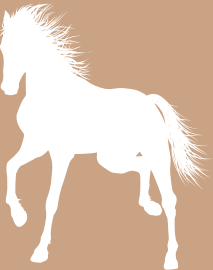
The Fairgrounds use recycling bins similar to those in general circulation as visual cues for visitors. The program is popular, especially among younger people who are more likely to have been educated on the importance of recycling. The Convention Center’s recycling programs reduce landfill fees, which are significant in California. The state encourages recycling by giving account credits based on gross tonnage of recycled materials. A modest profit can be made from the sale of certain recyclable products.

Composting

The costs of horse manure disposal can be high. Interview subjects suggested that new facilities incorporate strategies for reducing costs of horse manure disposal in the initial stages of a “green” program. An estimated 20 thousand tons of horse manure, shavings and straw is processed annually at the Fairgrounds. Onsite composting or gasification has not been attempted because the land area is not sufficient to ensure that unpleasant odors do not annoy visitors.

The Fairgrounds has a worm farm that takes all of the pre-consumer fruit and vegetable cut-offs and waste, keeping large amounts of food out of the garbage disposal systems. This approach enables the facility to operate at a residential rather than a restaurant rate for sewage processing. The residential designation saves roughly \$45,000 a year. At the Convention Center, a food compactor reduces the volume of kitchen and food waste. At both locations, management works closely with food vendors and service staff sub-contractors to encourage composting.

“If we want to bring in big events, we don’t have the space for it. There is not a central point to draw everybody in.”





Water Conservation and Management

At the Fairgrounds, drought conditions that limit water resources make a wise water consumption program a necessity. Water conservation efforts mentioned in the interviews included retrofitting bathroom facilities to include low-flow toilets and waterless urinals. Gray water is used to flush toilets and irrigate certain land areas. The use of green concrete that allows rainwater to drain through rather than run-off is utilized.

Energy Conservation and Renewable Energy Sources

State and federal incentives and rebates for solar power have facilitated the use of renewable energy sources in California. For example, public utilities lease roof space and install solar panels, an approach estimated to generate savings of approximately \$30,000 annually at the Convention Center.

At both site visits, interview subjects said that installation of energy efficient light bulbs is the most direct and cost effective means to reduce energy use. Fluorescent lighting is installed throughout the convention space, reducing energy consumption overall by 40 percent. A \$198,000 grant from San Diego Gas and Electric (SDG&E) and a no-interest loan helped fund the project. Repayment of the loan will be completed in two years, given the energy and cost savings incurred. The use of cold cathode lighting in areas that require 24-hour illumination allows the use of 3 watt bulbs instead of 40 watt ones. For heating and cooling of buildings, newer technologies that exploit thermal energy and ground water temperature differentials were also suggested.

Fairground personnel reduce the amount of fossil fuels used for equipment such as tractors and trucks by using more energy-efficient vehicles and equipment. The purchase of efficient equipment

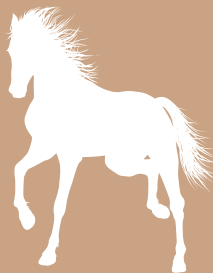
was described as one of the most important energy considerations for an equestrian facility. According to the Fairground's representative, solar panels have provided 16 percent of their energy needs.

Other

Interviewees at both locations said that community outreach to ensure the support and involvement of the local community is essential. The Fairgrounds lease space to local horse owners who in turn offer riding lessons and training activities recognized and valued within the local community. Boarding facilities are also available to the local community. A shuttle service between parking lots and the grounds and a service that links the grounds to a nearby train station ease visitor access to facilities.

Interview subjects at the San Diego Fairgrounds said that a covered arena is a necessity for year-round operations. Other suggestions included the capacity to host diverse activities that do not interfere with equine events. For example, monster truck shows are no longer hosted onsite because of high noise levels detrimental to horses. Events more compatible with horse shows and equine activities include the Purina Dog Challenge now hosted annually. A concrete floor in the main arena facilitates the staging of concerts. The floor can be covered in dirt to provide the appropriate footing for equine events. Interview subjects said that RV parking is vital to equestrian centers because handlers and trainers typically stay onsite in close proximity to the horses in their care. Providing these facilities is a proven means for generating revenues.

“Being green is a farce. I don’t believe in it.”



International Horse Park—Sustainability Initiatives

The following sustainability recommendations are based on research, site visits, surveys, focus groups and interviews.

Sustainability Initiatives #1—Why sustainability? It is good business practice. It reduces costs, increases long term profits, preserves critical resources and builds community support.

Sustainability Initiative #2—Strive to become LEED Platinum Certified. Use the US Green Building Council as a guide in the design and construction of the facility (www.usgbc.org/). This will help ensure maximum efficiency of the building.

Sustainability Initiative #3—Explore alternative energy options. Based on the amount of sunlight a year Aiken receives, solar power is a very suitable and effective source of energy for the new facility. Grants and special program are available to reduce the cost of purchasing solar paneling. (www.energy.sc.gov/index.aspx?m=6&t=83)

Sustainability Initiative #4—Lighting is critical. All lights should be compact fluorescent lamps (CFL) with remote monitoring and sensor capabilities. This reduces the amount of electricity consumed by a minimum of one-third, and allows lights to be managed remotely.

Sustainability Initiative #5—Reduce, reuse and recycle. Develop a composting program which eliminates the need for garbage disposals and significantly reduces water consumption. Make sure the compost site is located away from visitors and event facilities and maintained properly to avoid any odor issues. (compostingcouncil.org/internet-links/)

Sustainability Initiative #6—Embrace the community. Hire a liaison to work and communicate with the community. The liaison should work with Aiken's schools, non-profit organizations and the horse community to provide educational programs and help host or sponsor charity events within the community.

Sustainability Initiative #7—Smart purchasing. Vehicles and the cost of petrol are significant costs. Hybrid and biodiesel vehicles should be purchased when possible to offset the cost of petrol. (www.skanska.com/global/About%20Skanska/Sustainability/Responsibility/33TractorMan%20010508.pdf).

Sustainability Initiative #8—Land preservation. A significant amount of land should be purchased for the primary purpose of land conservation and education. This land should be maintained as a “green space” or “open space” for the facility and the Aiken area. (www.landtrustalliance.org/about)

Sustainability Initiatives #9—Water management. Capture and use gray water to irrigate and perform other essential facility operations (i.e. dishwater and laundry) as an effective measure in reducing costs and water consumption.



Community Survey Summary

The target population of the stakeholder survey consisted of current residents (18-years-old or above) of Aiken, South Carolina. A resident is anyone who indicated s/he lives in Aiken or Aiken County, South Carolina. Self-administered surveys were distributed in mid- and late-May, 2012 using the intercept approach at various locations to capture a systematic random sample. The locations included visitor centers, hotels, restaurants, attractions, libraries, and general stores in Aiken. A total of 308 responses were collected for the final analysis. The data analyses were conducted by using the SPSS software version 19.0

Results are summarized below, supported by graphs.

Among respondents from the community, just over half were aware of the feasibility study even though many of them are not associated with the equine industry. Over 90 percent of them have not been outside Aiken for an equestrian event. Only one in ten of the respondents have worked in the equestrian industry but one in five have previously worked in the tourism industry.

Respondents overall believe that the equine industry in Aiken is very important, although they believe Aiken's current receiving capacity and quality of equestrian facilities are in need of improving. Most respondents believe that a multi-use international horse park will lead to more visitor spending, that it will create more jobs in the community, and that it will provide economic benefits to local people. They were less likely to agree that the costs of developing the horse park and associated visitors' facilities would be too high and that the prices of goods and services will increase because of it.

Regarding stakeholders' perceptions of the social impacts of the proposed horse park, most of the respondents believe it will enhance the positive image of the community and that it will lead to additional activities and recreational opportunities for the local residents. They are less likely to agree that a new horse park will lead to vandalism in the community and they did not think that more visitors/tourists would negatively affect their way of life. They did not think that construction of the horse park and other tourist facilities would destroy the natural environment. In fact, most of the respondents indicated that development of the horse park was "the right choice for the Aiken community" and generally supported the idea, saying that they would be proud living in a town with a multi-use international horse park. Two thirds of respondents support the idea, and only one in ten were opposed. The remainder was neutral to the idea.

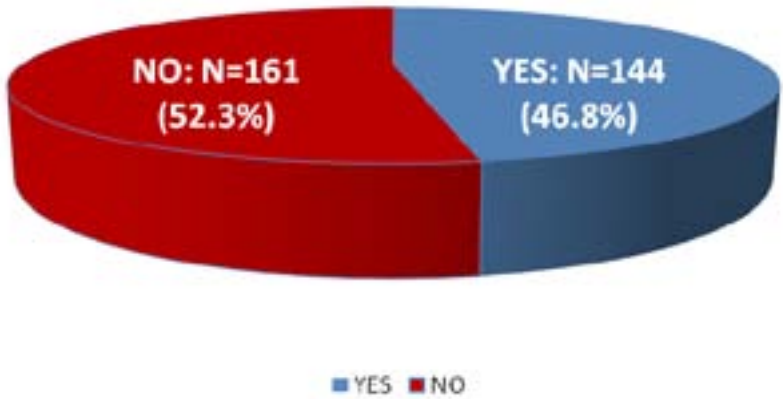
There was no difference between those who have worked in the equine industry before and those who have not regarding respondents' overall perception of the possible development of a multi-use international horse park. However, those that have worked in the tourism industry were significantly more likely to agree that the new horse park would make the Aiken community a better place to live, that the future of the Aiken community looks bright because of it, and that the Aiken community needs the horse park to expand the equine/tourism business. How long people have lived in Aiken did not influence their perception of the horse park idea. Gender and age also had no impact on peoples' perception of the horse park idea.

In terms of the make-up of the new horse park, the community of Aiken liked most the idea of an outdoor amphitheater for competitions, festivals, tradeshow and concerts. They were also amenable to the proposition of the horse park housing education facilities, a visitor center, a snack bar and boarding facilities for horses. They were least interested in jousting, boarding facilities for hounds and a 5,000-seat enclosed arena. The community was clearly interested in the potential for more concerts and music festivals, local events and restaurants, but they were not particularly interested in equestrian camping, tennis and basketball.

The bulleted sections below are followed by the appropriate chart or graph.

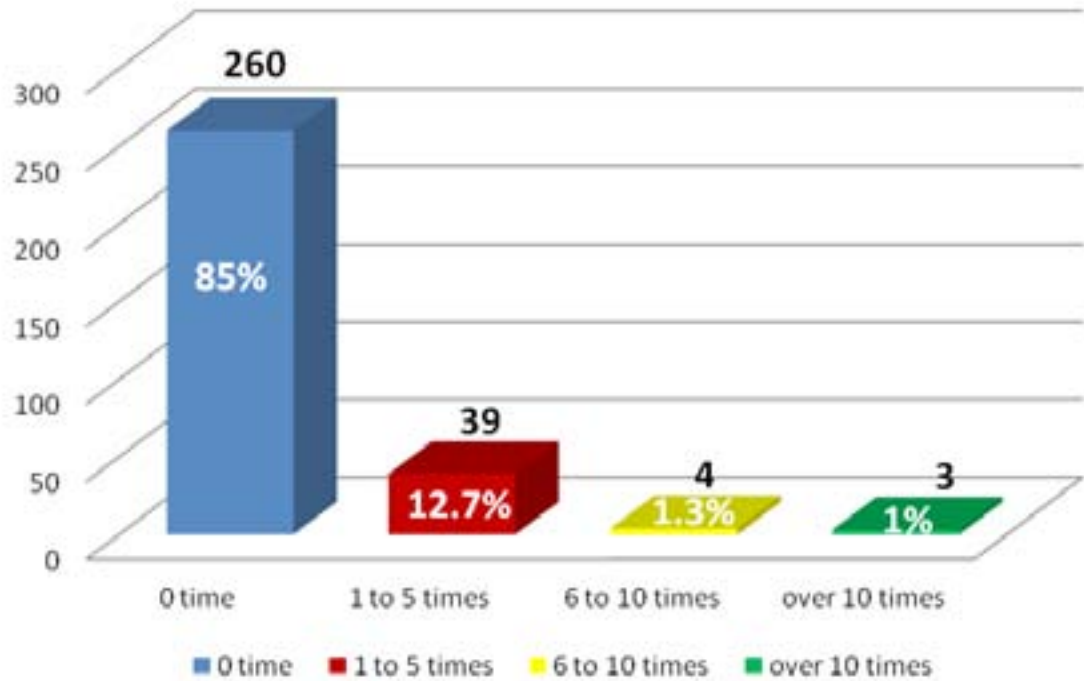
Awareness of the Study

Among community respondents, 46.8 % reported they were aware of the study.



Number of Equine/Horse Trips Taken Outside of Aiken in the Past 2 Years

During the past two years, the number of places visited by stakeholder respondents for an equine/ horse event outside of Aiken was also very low (Mean=.54). Eighty-five percent of them reported they had never visited an equine/horse event outside of Aiken.



Respondents indicated that the equine industry in Aiken was important (Mean= 4.14). They also indicated the visitor – receiving capacity (Mean=3.73) and the quality of Aiken’s current equestrian facilities (Mean=3.76) were good.

Stakeholders' Perception of Aiken Equine Industry	Mean	Standard Deviation
How important is the equine industry in Aiken (1= 'Not important at all' to 5='Very important')	4.14	.933
How would you rate the visitor –receiving capacity of Aiken's current equestrian facilities? (1='Very poor' to 5='Very good')	3.73	.821
How would you rate the quality of the current equestrian facilities in Aiken? (1='Very poor' to 5='Very good')	3.76	.786

Community respondents perceived the economic impact of the proposed international horse park as mostly positive for Aiken. The item with the highest mean score was for ‘It will lead to more visitor spending in our community’ (Mean=4.05), ‘It will create more jobs in our community’ (Mean=3.94), and ‘It will provide economic benefits to local people’ (Mean=3.94). Two items that respondents indicated they were unsure/neutral about or believe could negatively impact Aiken’s economy were ‘The costs of developing the horse park and associated visitors’ facilities are too high’ (74%), and ‘The prices of goods and services will increase because of it’ (63%). The economic impact item was moderate on a 5-point scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree).

Perceived Economic Impact	Mean	Standard Deviation	Rank
It will lead to more visitor spending in our community	4.05	.920	1
It will create more jobs in our community	3.94	.914	2
It will provide economic benefits to local people	3.94	.914	2

Respondents indicated that an international horse park would mostly have a positive social impact on Aiken. Items with the highest mean were ‘It will encourage a variety of activities for the local residents’ (Mean=3.89), ‘Meeting tourists from other regions is a valuable way to better understand their culture and society’ (Mean=3.85) and ‘It will enhance the positive image of our community’ (Mean=3.81). Two items that respondents indicated they were unsure/neutral about or believe could negatively impact the community’s culture were ‘More tourism will change our traditional culture’ (66%) and ‘More tourism will increase the crime rate’ (45%). The social impact item was moderate on a 5-point scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree).

Perceived Social Impact	Mean	Standard Deviation	Rank
It will encourage a variety of activities for the local residents (more events to go to, more things to do, more entertainment and amenities, etc.)	3.89	.902	1
Meeting tourists from other regions is a valuable way to better understand their culture and society	3.85	.939	2
It will enhance the positive image of our community	3.81	.890	3

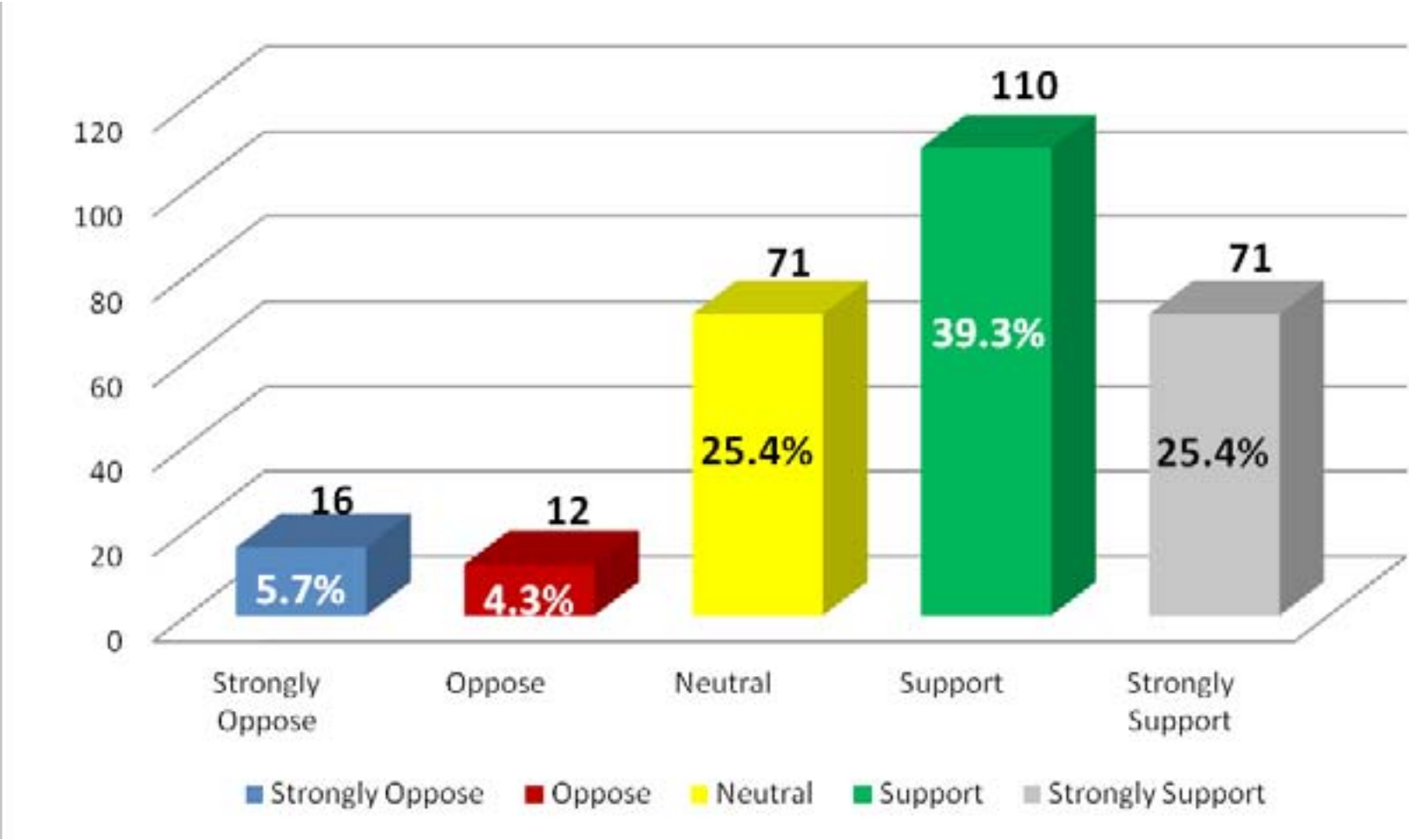
Respondents indicated that an international horse park would mostly have a positive environmental impact on Aiken. Items with the highest mean were ‘It will provide more recreational facilities for local residents’ (Mean=3.67), and ‘It will help preserve green space in our community’ (Mean=3.48). Two items that respondents indicated they were unsure/neutral about or believe could negatively impact the community’s environment were ‘It will result in traffic congestion’ (73%), and ‘It would cause pollution from visitors’ (55%). The environmental impact item was moderate on a 5-point scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree).

Perceived Environmental Impact	Mean	Standard Deviation	Rank
It will provide more recreational facilities for local residents	3.67	.907	1
It will help preserve green space in our community	3.48	.891	2

Respondents’ overall perceptions of the possible development of the international horse park were mostly positive. Respondents indicated that ‘It is the right choice for the Aiken community’ (Mean=3.62), ‘I support this horse park idea in the Aiken community’ (Mean=3.62), and ‘I would be proud living in a town with a multi-use international horse park’ (Mean=3.59). The overall perception item was moderate on a 5-point scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree).

Overall Perception of the Possible Development	Mean	Standard Deviation	Rank
It is the right choice for the Aiken community	3.62	1.007	1
I support this horse park idea in the Aiken community	3.62	1.096	1
I would be proud living in a town with a multi-use international horse park	3.59	1.024	3
The Aiken community needs it to expand the equine/ tourism business	3.57	1.050	4
The future of the Aiken community looks bright because of it	3.47	1.025	5
It will make the Aiken community a better place to live	3.44	.997	6
Most people I know in my community don’t want it	2.65	.970	7
Visitors to the horse park could interfere with my personal enjoyment of Aiken	2.42	1.014	8
I am against this new horse park	2.30	1.164	9

Community respondents overall supported the possible development of the international horse park with 39.3% of the respondents reporting ‘support’, 25.4% reported ‘strongly support’, and another 25.4% said ‘neutral’.



Stakeholders’ Overall Attitude toward the Possible Development of a Multi-Use International Horse Park in Aiken

Respondents’ perception of the Aiken Chamber of Commerce was mostly positive. Items with the highest mean were “They would not knowingly do anything to hurt my community” (Mean=3.6), “They are very capable of performing their job” (Mean=3.57), and “They have much knowledge with respect to community needs” (Mean=3.56). The perception item was moderate on a 5-point scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree).

Perception of Aiken Chamber of Commerce	Mean	Standard Deviation	Rank
They would not knowingly do anything to hurt my community	3.60	0.896	1
They are very capable of performing their job	3.57	0.824	2
They have much knowledge with respect to community needs	3.56	0.867	3
They are typically successful at implementing ideas	3.54	0.815	4
They are very concerned about my community welfare	3.54	0.883	5
Sound principles seem to guide their behavior	3.53	0.828	6
I feel very confident about their abilities	3.52	0.871	7
They have specialized capacities that can enhance our community	3.52	0.822	8
They are well qualified	3.51	0.849	9
I like their values	3.50	0.841	10
They will go out of their way to help my community	3.49	0.858	11
They have a strong sense of justice	3.36	0.89	12
Their actions and behaviors are not very consistent	2.94	0.985	13

Among the 25 components of a proposed international horse park in Aiken, SC, the top three responses with the highest mean were ‘Outdoor amphitheater (competition, festivals, tradeshow, concerts)’ (Mean=3.69), ‘Education facilities’ (Mean=3.62), and ‘A visitor center’ (Mean=3.54). The items with the lowest mean were ‘Jousting’ (Mean=3.12), ‘Boarding facilities for hounds’ (Mean=3.25), and ‘5,000-seat enclosed arena’ (Mean=3.26). The component item was moderate on a 5-point scale (1=Not Important At All, 2=Somewhat Unimportant, 3=Neutral, 4=Somewhat Important, 5=Very Important).

Components for the International Horse Park	Mean	Standard Deviation	Rank
Outdoor amphitheater (competition, festivals, tradeshow, concerts)	3.69	1.102	1
Education facilities	3.62	1.132	2
A visitor center	3.54	1.168	3
Snack bar	3.51	1.158	4
Boarding facilities for horses	3.49	1.217	5
Parking for trailers and/or RVs	3.47	1.224	6
Utility connections for trailers and/or RVs	3.47	1.212	7
A training track	3.46	1.212	8
Banquet and catering facilities	3.45	1.169	9
Steeplechase course	3.43	1.184	10

Among the 19 activities/events of a proposed international horse park in Aiken, SC, the top three activities/events were ‘Concerts/music festivals’ (Mean=3.89), ‘Local events’ (mean=3.8), and ‘Restaurants’ (Mean=3.63). Respondents would least like to participate in ‘Equestrian camping’ (Mean=3.05), ‘Tennis’ (Mean=3.18), and ‘Basketball’ (Mean=3.18). The activities/events item was moderate on a 5-point scale (1=Not Important At All, 2=Somewhat Unimportant, 3=Neutral, 4=Somewhat Important, 5=Very Important).

Activities/Events to Include	Mean	Standard Deviation	Rank
Concerts/music festivals	3.89	1.109	1
Local events	3.8	1.063	2
Restaurants	3.63	1.202	3
Shopping	3.54	1.228	4
Horse club for youth	3.47	1.219	5
Hotels	3.47	1.229	6
Guided trail rides	3.46	1.239	7
Therapeutic riding	3.44	1.251	8
Veterinary services	3.43	1.291	9
Meeting spaces	3.43	1.214	10

The majority of the respondents were married (49.3%), female (61.3%), over 55 (30.4%) years old. Their ethnic group was largely Caucasian (69.7%). Most of the respondents were employed at full-time/part-time jobs (57.2%), and had some college or an associate degree (32.3%). Most of the respondents have lived in Aiken for less than 10 years (45%).



Visitor Survey Summary

The target population of the consumer survey includes both current and potential visitors (18-years-old or above) to Aiken, South Carolina. Current visitors refer to those who are traveling through and/or visiting the area, whereas potential visitors include anyone who would possibly visit Aiken or travel to a multi-use international horse park, such as those who stop at the visitor's center in Aiken, those who stay in nearby tourist destinations, and those who are equine enthusiasts. Data were collected at various locations in Aiken using the intercept approach in mid- and late-May 2012, as well as through an electronic survey distributed to an equine magazine's subscriber database. There were 462 completed responses collected through the on-site and electronic channels.

Survey results are summarized below with graphs following the narrative bullets.

About 80 percent of respondents had taken overnight trips for equine/horse events in the last two years, so the vast majority could be classified as equine tourists and potential visitors to Aiken's proposed horse park. The majority of the respondents were married Caucasian females, with a relatively high annual household income. Over half have worked in tourism or equine industries.

On average respondents had been on eight overnight trips for equine/horse events in the last couple of years, and had visited about four different horse parks. For two thirds of those respondents, the motivation for visiting those horse parks was competitions and events held in the parks. Over half of the respondents were actually competing, whereas 20 percent were attending as spectators. A further 11 percent visited the horse parks for business purposes. If they did not travel

alone, a third traveled with equine friends, and about 15 percent traveled with their families.

Their motivations for these trips revolve around their interest in horses and how horses are an integral part of their lives. Much of their free time is devoted to horse-related activities, and the majority claim to be knowledgeable about the equine industry.

Respondents showed the most interest in jumping, dressage, and lessons and training. Other popular activities included trail riding, fox hunting, polo and natural horsemanship. They are least interested in saddle-seat, endurance and roping.

Respondents generally had a high awareness of Aiken as an equestrian tourist destination, and over two thirds have been to Aiken in the past. People who have been in Aiken really enjoyed their visit, indicating a special connection to Aiken and the people who live there. Another positive finding for proponents of the horse park is that the majority would visit the facility. Nearly half are very likely to visit, and over a third are somewhat likely to visit. Only a small number would be unlikely to visit. If they came, most would travel by car, and they seem content to drive long distances. Nearly 40 percent would drive over seven hours to visit the park, and 30 percent would drive four-six hours. The impact on local accommodations and businesses would be substantial, given that most of the respondents are willing to spend at least two nights to visit the park in Aiken. In fact 26 percent would like to spend four nights or more in Aiken.

Potential visitors feel that the most important components of a new international horse park in Aiken should be parking for trailers and/or RVs' (with utility connections), boarding facilities for

horses, and snack bars. Other highly-ranked items were sustainable/green facilities, a cross-country course, an outdoor amphitheater, campgrounds, an indoor arena, and educational facilities. The least important components according to respondents are a museum, boarding facilities for hounds, and jousting.

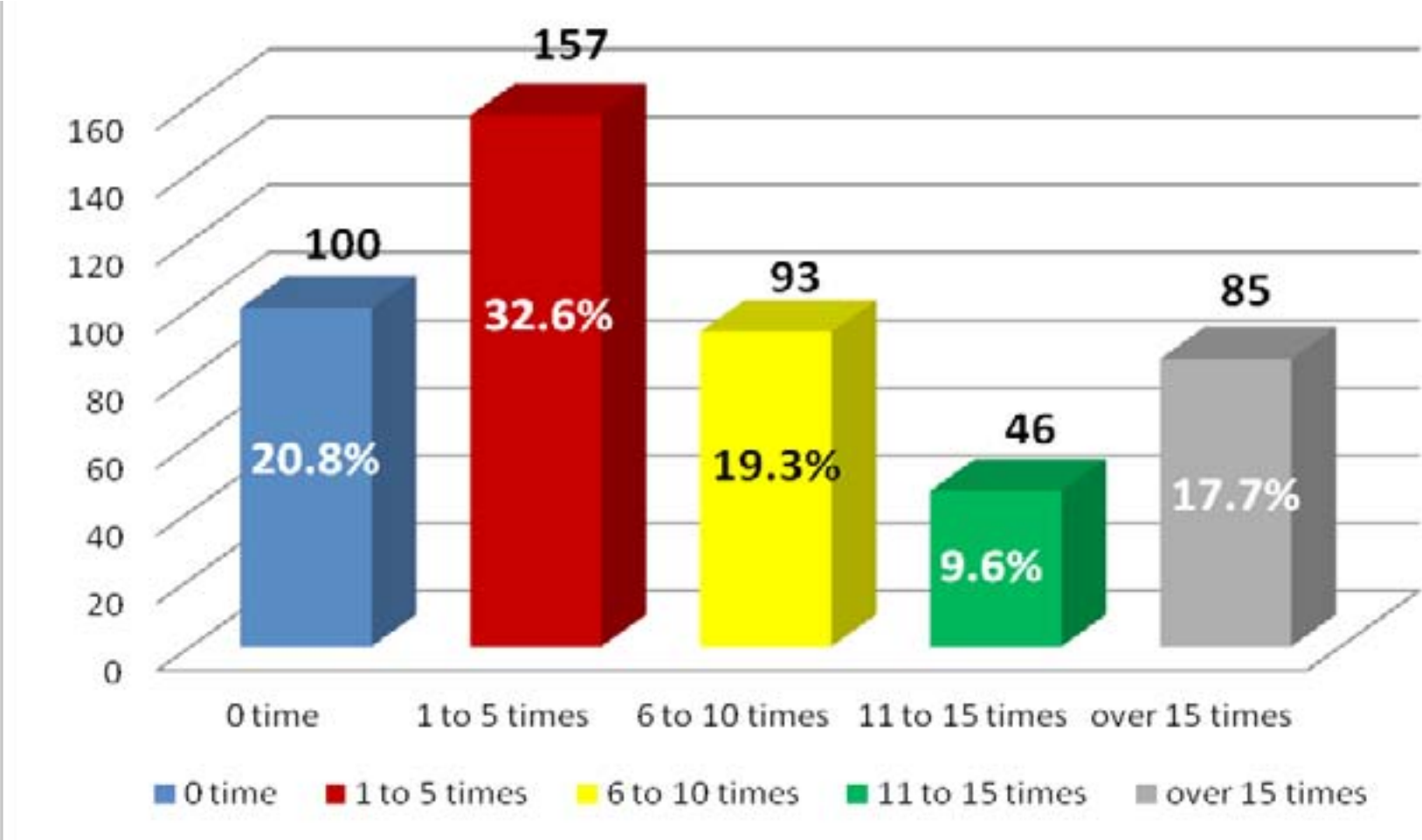
Potential visitors would also like to see veterinary services as a key amenity in the park, as well as restaurants, hotels, camping, riding lessons, and concerts and music festivals. Respondents would least like to participate in other sporting activities such as soccer, football and basketball.

As for other factors that would attract visitors to Aiken apart from equestrian activities, equestrian visitors are interested in culinary and cultural tourism, good weather, lodging, festivals and events, sightseeing and rural life in general. On the other hand, they are not particularly interested in business or conference facilities.

The following narrative sections provide further details on the summary information presented above. A chart or graph follows and expands upon each narrative bullet.

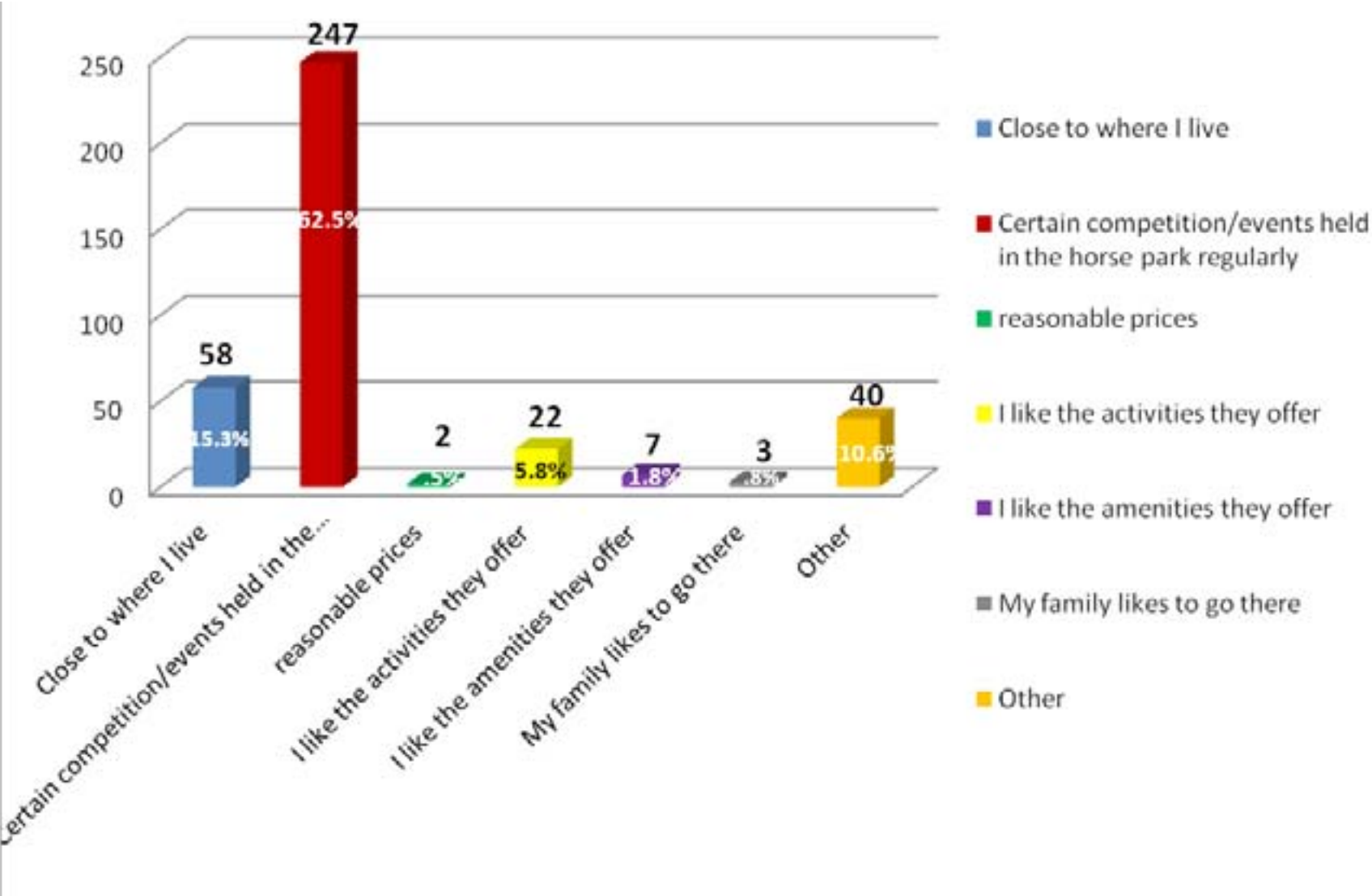
Number of Times Visitors Took an Overnight Trip for an Equine/Horse Event in the Past Two Years

The majority of the respondents reported making overnight trips for equine/horse events one to five times (32.6%) per year. However, 20.8% of the respondents said they ‘never’ (0 time) took such trips in the past two years. The mean score is 8.09 times.



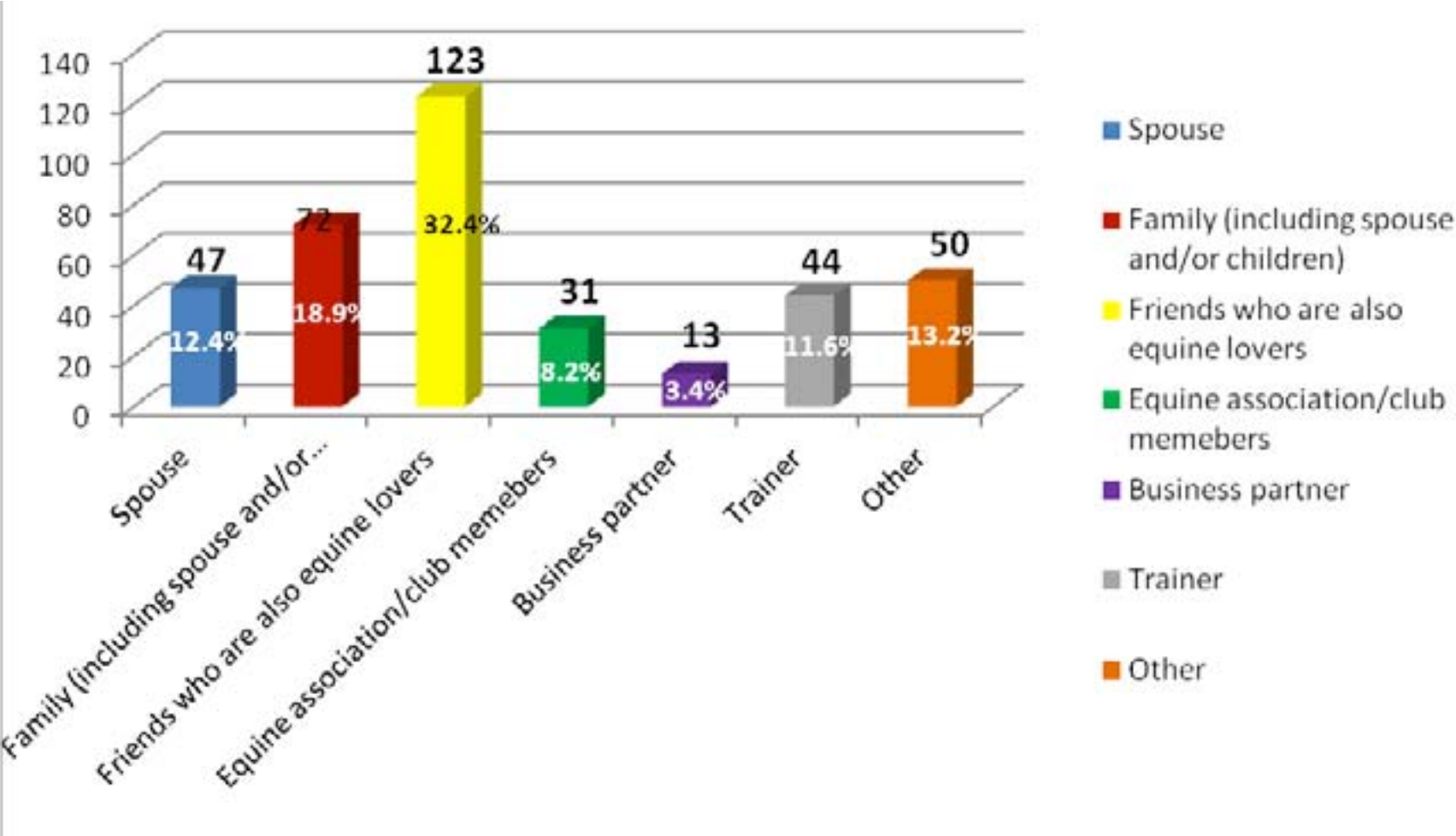
Reason for Visiting the Horse Park

When asking about the major reason for visiting ‘the most frequently visited horse parks’ a large number of respondents (62.5%) reported visiting ‘because certain competition/events are held in that park regularly’. The second largest number of respondents (15.3%) indicated ‘distance’ is the major reason.



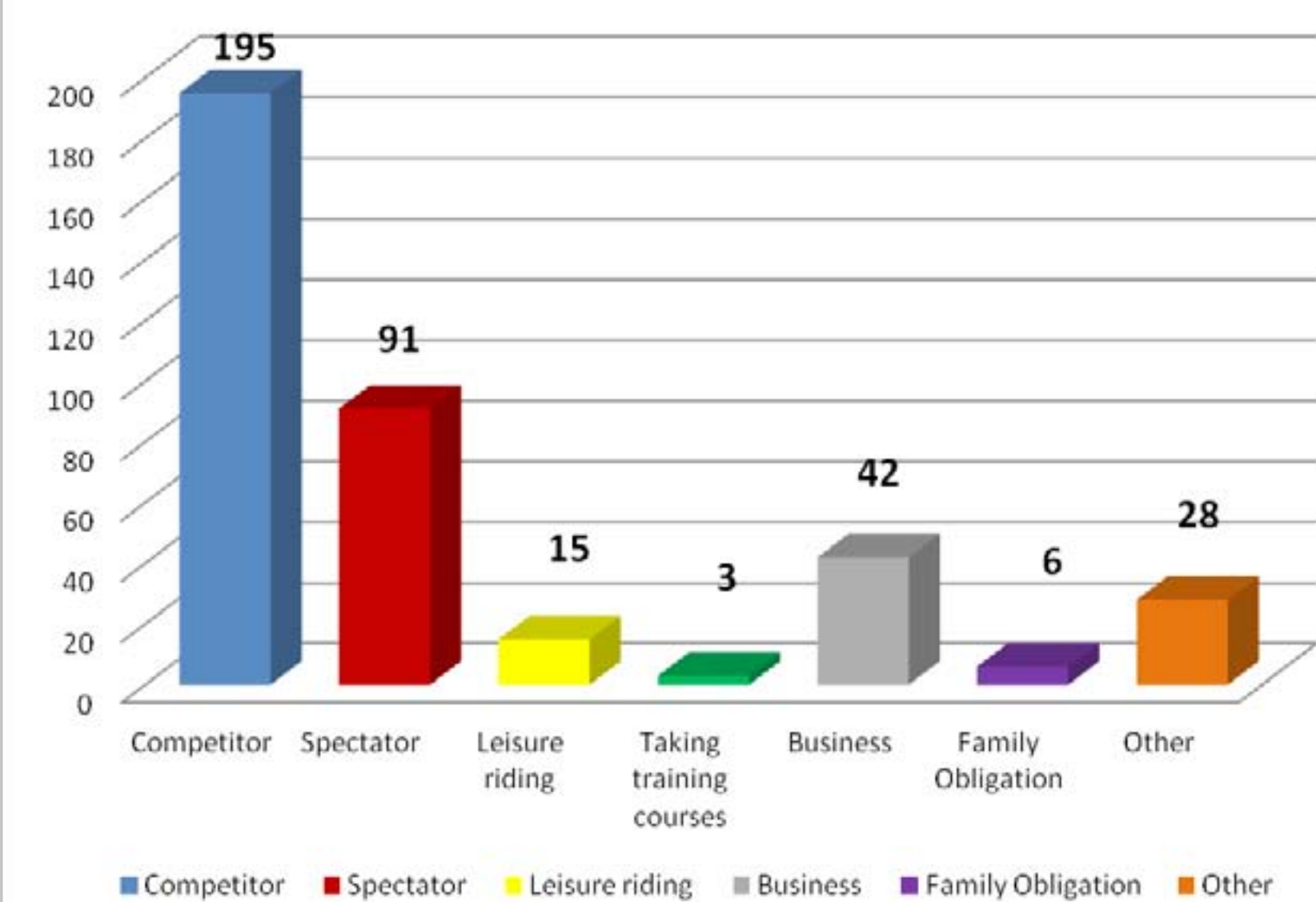
Travel Partner When Visiting a Horse Park

When asking about respondents travel partner when visiting a horse park, the majority (32.4%) indicated ‘Friends who are also equine lovers’, followed by ‘Family’ with 18.9%.



Primary Purpose when Visiting a Horse Park

Over half of the respondents (195 or 51.3%) visited a horse park as a ‘Competitor’. 91 or 18.9% of respondents replied with ‘Spectator’, followed by 11.1% indicating they visited for business purpose.

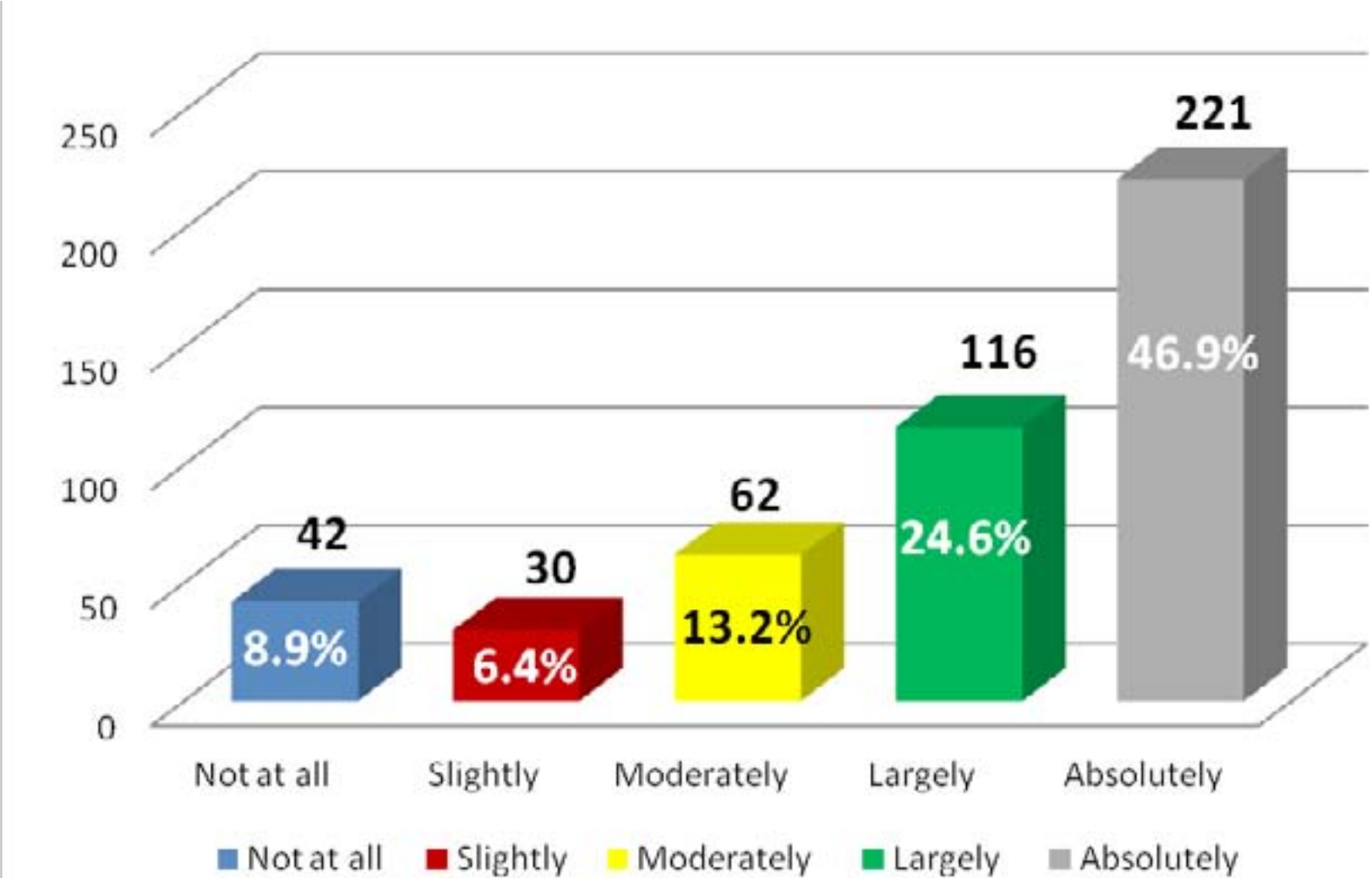


Among the 21 horse related activities, respondents showed most interests in ‘Jumpers’ (45.3% - top), ‘Dressage’ (44.3% - top two) and ‘Lessons training’ (39.3% —top three). On the other hand, they are least interested in ‘Saddle-seat’ and ‘Endurance’ with only 2.3% and 1.9% respectively.

Horse related activities	Frequency	%	Rank
Jumpers	219	45.3	1
Dressage	214	44.3	2
Lessons training	190	39.3	3
Hunters	164	34.0	4
Pleasure/Trail riding	132	27.3	5
Fox hunting	107	22.2	6
Polo	90	18.6	7
Natural horsemanship	83	17.2	8
Breeding	77	15.9	9
Racing	70	14.5	10

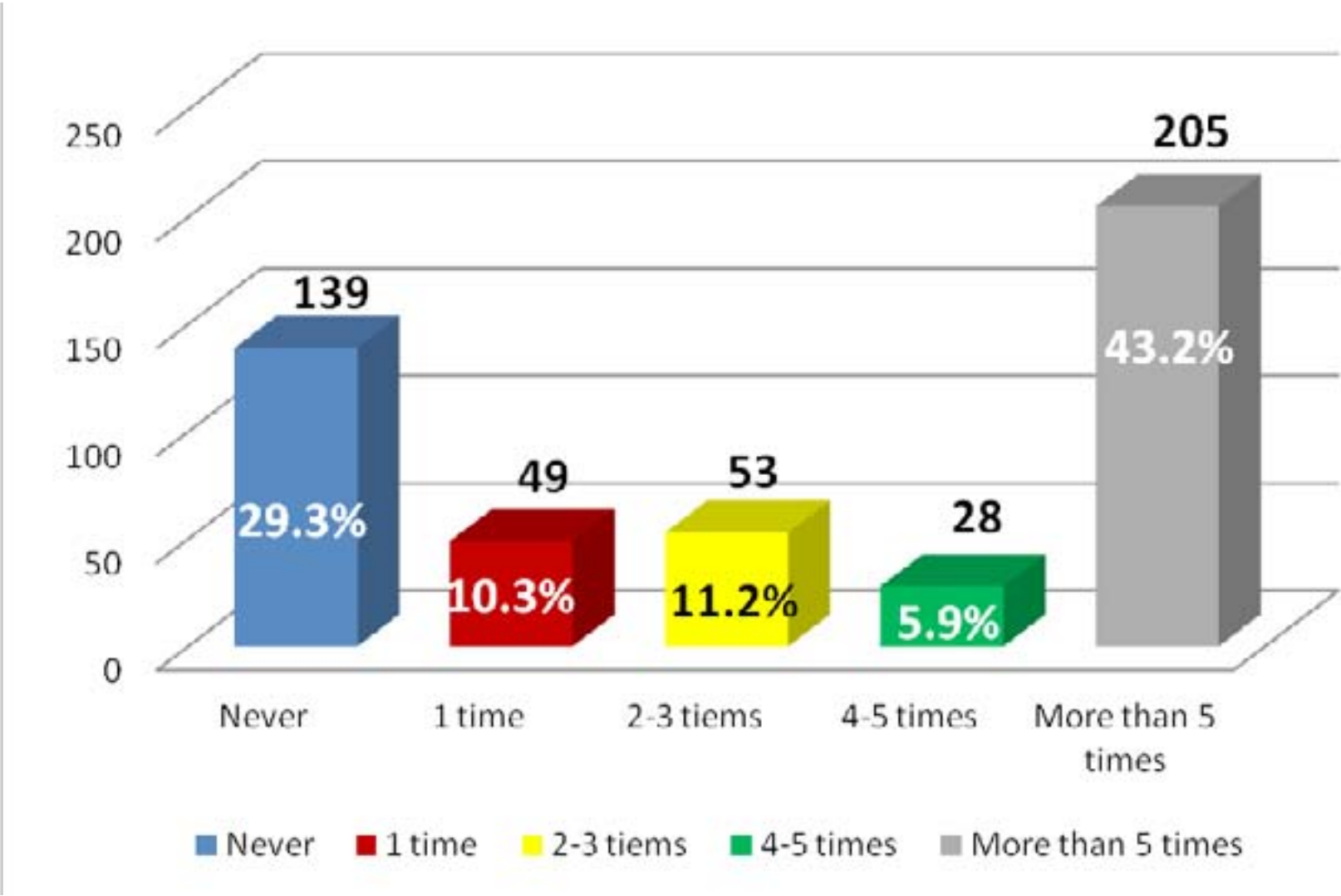
Visitors’ Awareness of Aiken as an Equestrian Tourist Destination

On average, respondents had a high awareness of Aiken as an equestrian tourist destination. 46.9% of the respondents indicated that they are ‘Absolutely’ aware of Aiken as an equestrian destination, followed by 24.6% who said ‘Largely’.



Number of Times Been to Aiken County, SC

On average, respondents have been to Aiken County just over three times (mean=3.23). 43.2% of respondents said they have been to Aiken more than five times. However, 29.3% replied they have ‘Never’ been to Aiken.



Visitors’ Feelings of Aiken as an Equine Destination

Among the twelve items describing respondents’ feelings of Aiken as an equine destination, the top three feelings they indicated are ‘I really enjoy visiting Aiken’, ‘Aiken means a lot to me’ and ‘I have a special connection to Aiken and the people who live here’, with a mean score of 4.24, 3.96, 3.8 respectively. The feeling item was moderate on a 5-point scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree).

Importance of the Component of a Proposed International Horse Park in Aiken, SC

Among the twenty-six components of a proposed international horse park in Aiken, SC, the top three component respondents feel the most important are ‘Parking for trailers and/or RVs’ (mean=4.22), ‘Boarding facilities for horses’ (mean=4.06) and ‘Snack bar’ (mean=3.99). The component item was moderate on a 5-point scale (1=Not Important At All, 2=Somewhat Unimportant, 3=Neutral, 4=Somewhat Important, 5=Very Important).

Importance of the Activities/Events Visitors May Like to Participate in or Attend/Watch at a Proposed Multi-Use International Horse Park in Aiken, SC.

Among the nineteen activities/events of a proposed international horse park in Aiken, SC, the top three activities/events respondents chose are ‘Veterinary services’ (mean=3.85), ‘Restaurants’ (mean=3.73) and ‘Hotels’ (mean=3.73). The activities/events item was moderate on a 5-point scale (1=Not Important At All, 2=Somewhat Unimportant, 3=Neutral, 4=Somewhat Important, 5=Very Important).

On a scale of 1= ‘Not important at all’ and 5= ‘Very important’, respondents were asked to rate the importance of fourteen accompanying tourist attractions/activities when visiting Aiken, SC. As listed in the table below, ‘Equestrian activities’ (mean=4.54), ‘Restaurant/Food and beverage’ (mean=4.26) and ‘Climate/Weather’ (mean=4.24) are the top three important attractions/activities when visiting Aiken.

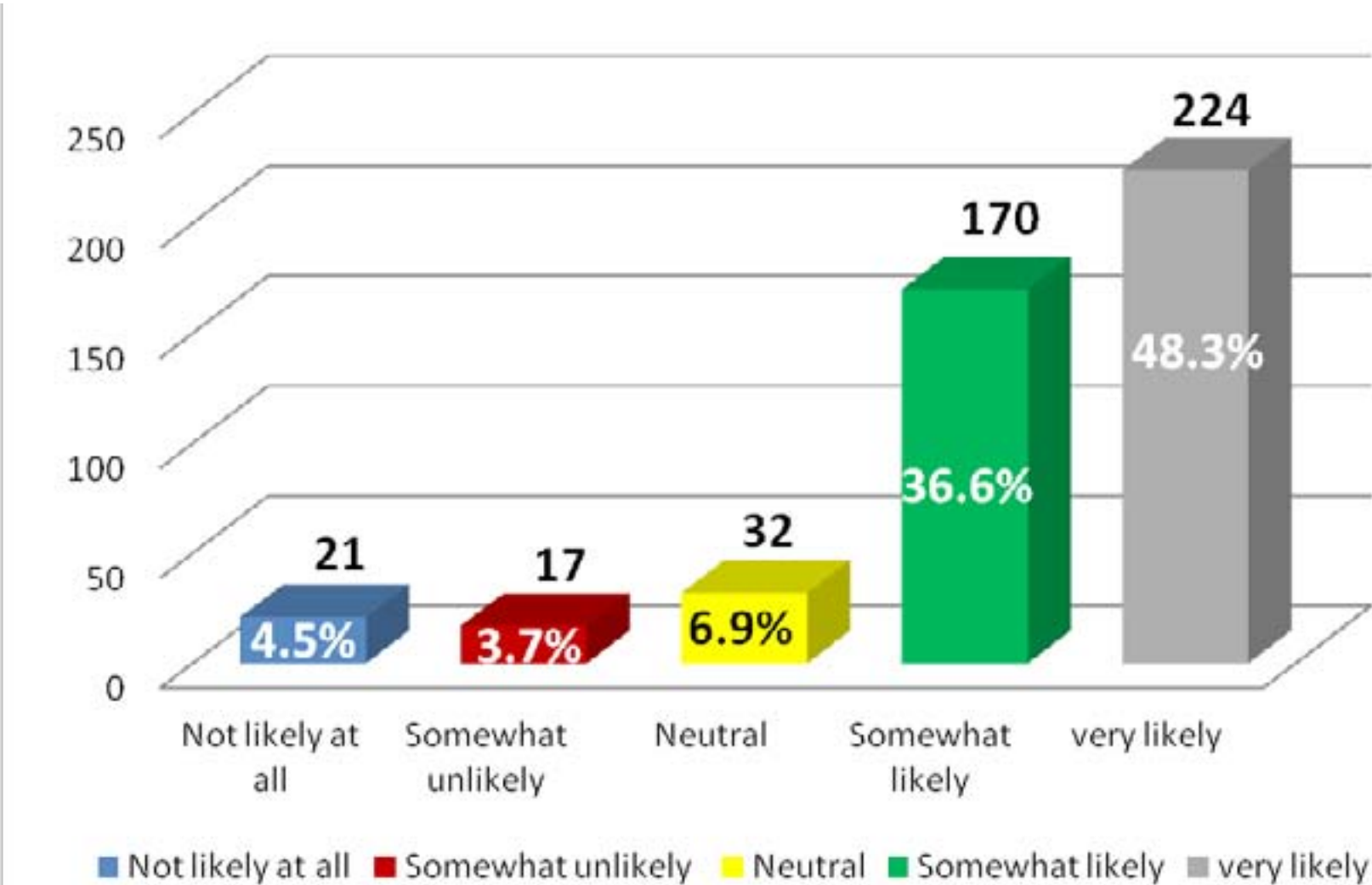
Activities/events	Mean	Standard Deviation	Rank
Veterinary services	3.85	1.235	1
Restaurants	3.73	1.117	2
Hotels	3.73	1.131	2
Equestrian camping	3.3	1.311	4
Riding lessons	3.27	1.322	5
Concerts/music festivals	3.24	1.184	6
Shopping	3.18	1.178	7
Therapeutic riding	3.12	1.27	8
Local events	3.12	1.173	9
Meeting spaces	3.1	1.161	10

On a scale of 1= ‘Not important at all’ and 5= ‘Very important’, respondents were asked to rate the importance of fourteen accompanying tourist attractions/activities when visiting Aiken, SC. As listed in the table below, ‘Equestrian activities’ (mean=4.54), ‘Restaurant/Food and beverage’ (mean=4.26) and ‘Climate/Weather’ (mean=4.24) are the top three important attractions/activities when visiting Aiken.

Accompanying tourist attractions/activities	Mean	Standard Deviation	Rank
Equestrian activities	4.54	0.79	1
Restaurant/Food and beverage	4.26	0.745	2
Climate/Weather	4.24	0.799	3
Lodging	4.1	0.903	4
Historical/Culture heritage	3.71	1.016	5

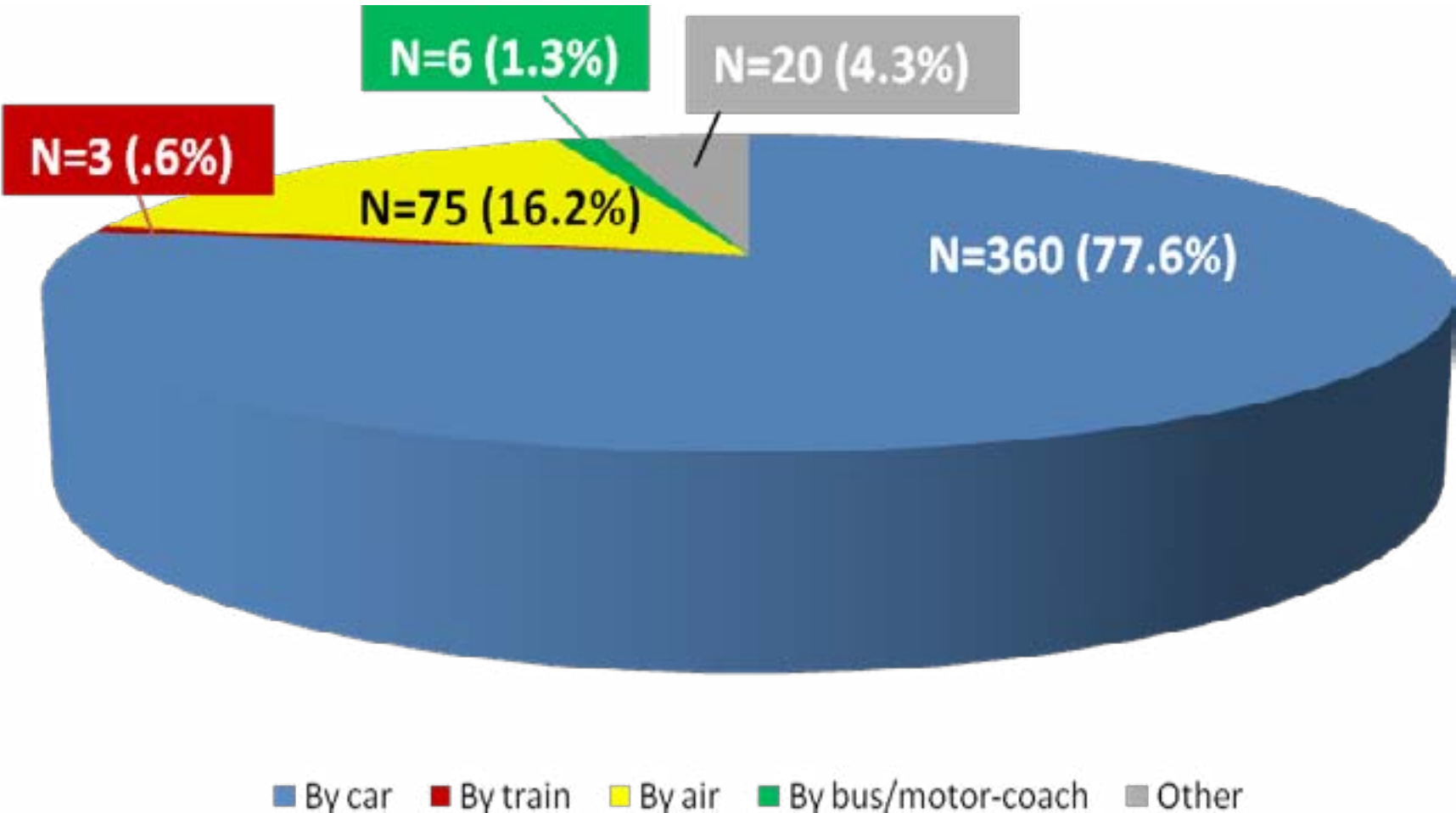
Visitors' Intention to Visit the Possible International Horse Park in Aiken

When asking about respondents' likelihood of visiting the possible international horse park in Aiken, SC on a 5-point scale of 1= 'Not likely at all' and 5= 'Very likely', the average response is very high with a mean score of 4.2. 48.3% of respondents reported 'Very likely', followed by 36.6% indicating they are 'Somewhat likely' to visit an international horse park in Aiken.



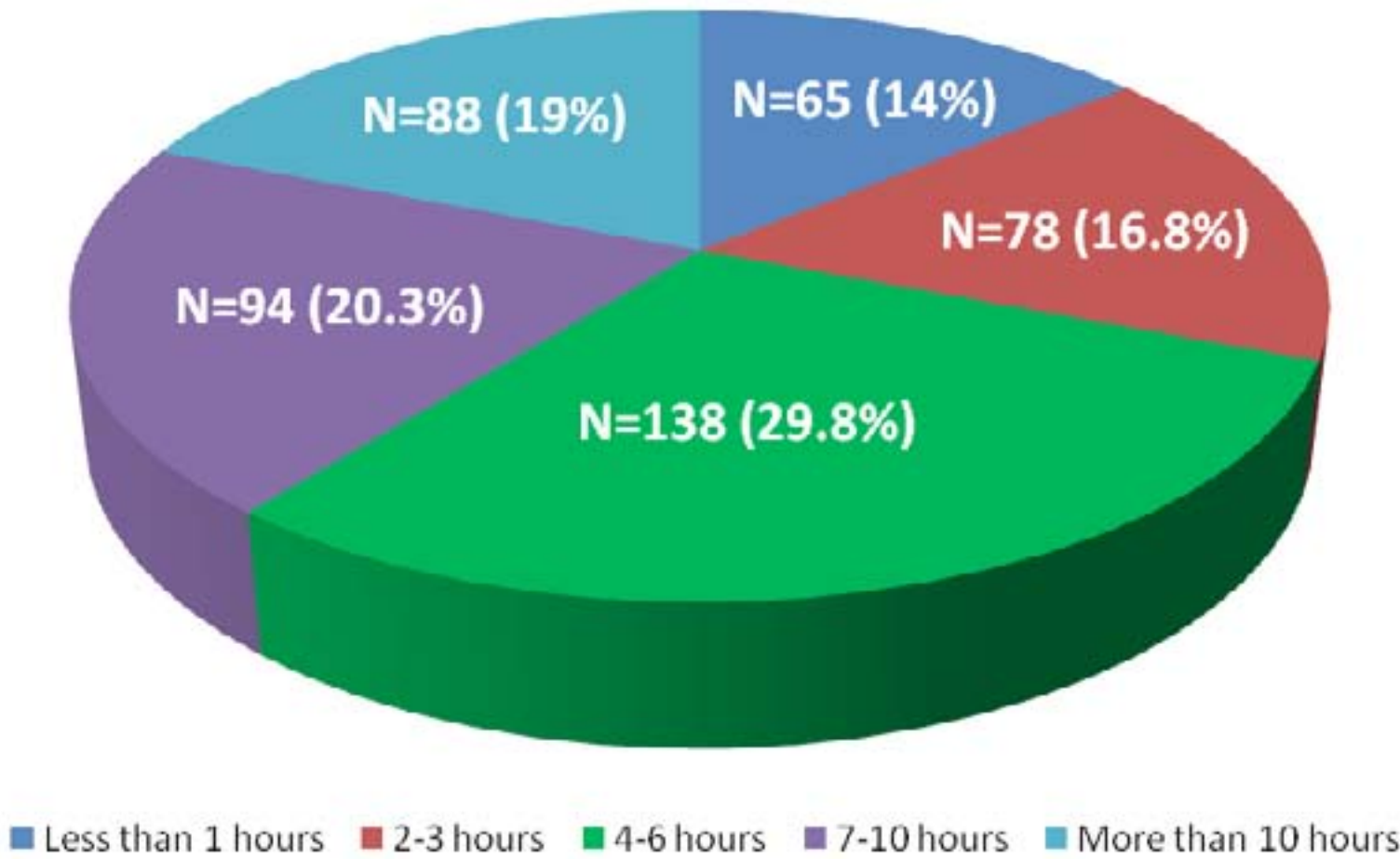
Mode of Transportation Visitors are Willing to Travel to Aiken

Most of the respondents are willing to travel to Aiken by car (77.6%). 16.2% of respondents indicated they would like to travel by air when coming to Aiken.



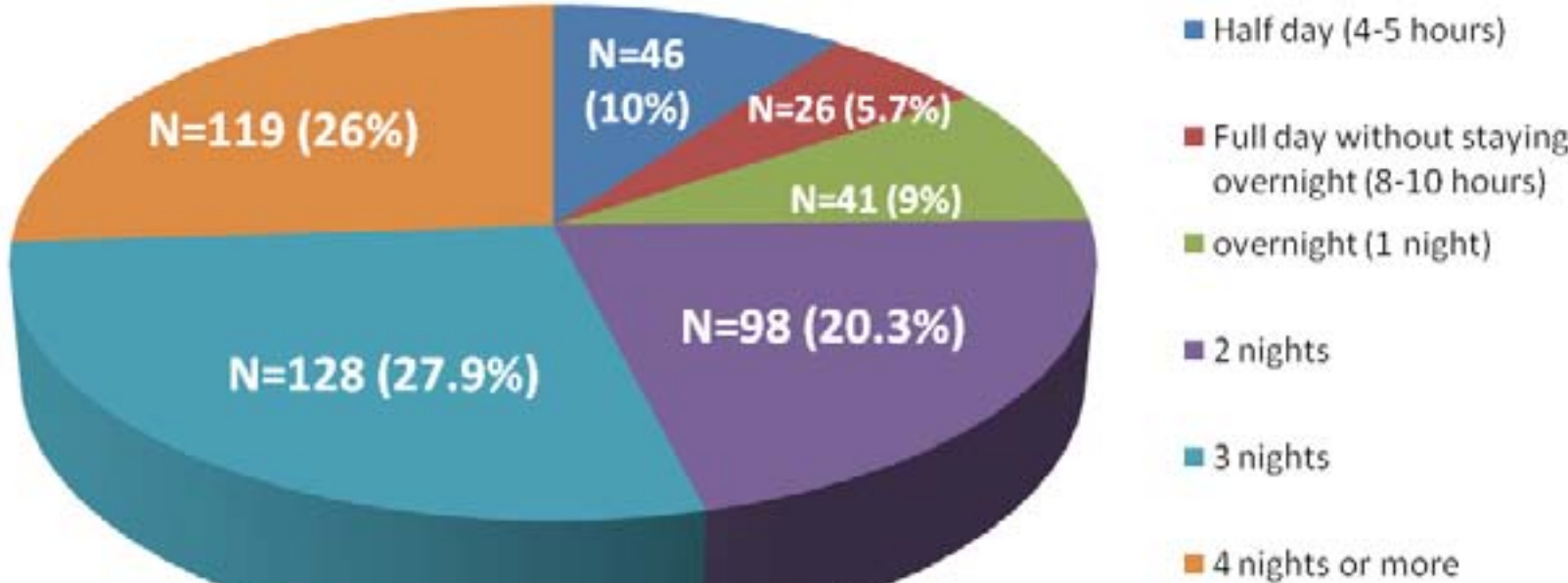
Distance Visitors are Willing to Travel to Visit the Possible Aiken International Horse Park

When asked about distance respondents would travel to Aiken for the horse park, 29.8% of respondents replied with four-six hours, followed by seven-ten hours (20.3%).



Time Visitors are Willing to Spend

Most of the respondents are willing to spend more than two nights to visit the possible international horse park in Aiken. 26% of them said they would like to spend four nights or more, followed by three nights (27.9%) and two nights (20.3%).



Facility Needs and Cost

Facilities Needed

The size and scope of international horse parks range from a proposed 167-acre site in Franklin, Idaho to the 1,220+-acre complex at Kentucky Horse Park in Lexington, Kentucky. However, four comparable sites were used as a baseline for facility needs as outlined in the visitor and stakeholder surveys section of this report. The necessary/important facilities highlighted by both survey groups were: a covered arena (61 percent of visitors and 43 percent for stakeholders), an outdoor pavilion (67 percent for both visitors and stakeholders), a cross-country course (73 percent for visitors and 50 percent for stakeholders), parking for trailers (81 percent for visitors and 53 percent for stakeholders), camping sites (62 percent for visitors and 47 percent for stakeholders), horse boarding (75 percent for visitors and 54 percent for stakeholders) and education facilities (58 percent for visitors and 59 percent for stakeholders). The four comparative sites were WestWorld (Tony Nelseen Equestrian Center) in Scottsdale, Arizona, the Virginia Horse Park in Lexington, Virginia, the Palm Beach International Equestrian Center in Wellington, Florida and the Kentucky Horse Park in Lexington, Kentucky. Summaries of these facilities are presented below.

WestWorld

360 acres
9 Arenas (3 covered)
1 Equidome
1 Polo Field with 2 sections
20 Barns (936 stalls)
17 Acres for Trailer Parking
On-site RV/Camping

Palm Beach Int'l Equestrian Center

513 Acres
0 Arenas
1 Outdoor Pavilion (6,400 seats)
15 Competitive Rings
3,000 stalls
No Camping

Virginia Horse Park

600 acres
9 Arenas (2 indoor and 1 covered)
1 Outdoor Pavilion
3 Indoor Schooling Rings
8 Barns (735 stalls)
86 RV/Camping Sites
1 Therapeutic Center (includes education program)

Kentucky Horse Park

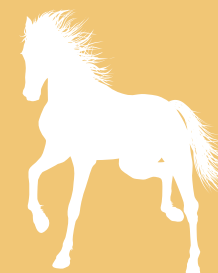
1,229 Acres
1 Arena (5,700 seats)
1 Outdoor Pavilion (10,075 seats)
½ Mile Track, Cross-Country Course
8 Barns, 3 Museums, 2 Gift Shops, 1 Restaurant
1 Visitors Center, 260 RV/Camping Sites

Based on the comparable sites, the recommended total acreage is not less than 750 acres but not more than 1,200 acres. Kentucky Horse Park was used as the preferred model as it was the only one of the four venues with a cross-country course, shopping and dining options on site.

Facility Costs

Land Purchase	\$12,000,000–\$14,400,000
Covered Arena (up to 10,000 seats)	\$45,000,000–\$60,000,000
Outdoor Pavilion (up to 4,500 seats)	\$ 8,000,000–\$15,000,000
Horse Barns	\$ 8,000,000–\$10,000,000
Indoor/Outdoor and Warm up Ring	\$ 8,000,000–\$10,000,000
Cross-Country Course	\$ 3,000,000–\$ 5,000,000
Campground	\$ 750,000–\$ 1,500,000
Education/Visitor Center	\$ 2,000,000– \$ 3,000,000
Support Buildings	\$ 300,000–\$ 500,000
Site Improvement	\$ 8,000,000– \$12,000,000
Restaurant/Concessions	\$ 3,000,000–\$ 5,000,000

	\$98,050,000–\$136,400,000



Management Structure

Site visits and analysis of comparable horse park sites revealed multiple management structures employed for the operation of horse parks in the United States.

WestWorld (Scottsdale, Arizona): built on Bureau of Reclamation land, the city of Scottsdale entered into a Cost-Sharing and Land Use Agreement with the Bureau of Reclamation to operate and develop the original site for the “optimum enhancement of general recreation consistent with authorized project purposes” (www.scottsdaleaz.gov/westworld/business). Following expansion and further development to the total acreage seen today, the City of Scottsdale entered into a Use and Management Agreement with a private entity, K-Lin Corp. The agreement included a Master Plan outlining the property to be used as a Horseman’s Equestrian and Theme Park as a multi-use public recreation facility. As the land was further developed, K-Lin Corp sold half of its interest in the project to a co-partner, Horseworld Joint Venture (HJV) in 1995. In 1995 after review of the Conceptual Master Plan, a Facility and Management Operations Plan was developed by HJV and approved by the City of Scottsdale and Bureau of Reclamation. In 1997, the City of Scottsdale acquired the assets and license rights held by HJV. In 1998, the Scottsdale City Council approved the WestWorld Business Plan under which the park operates today.

Virginia Horse Park (Lexington, Virginia): The joint legislative subcommittee of Virginia voted on June 8, 1984 to locate a Virginia Horse Center in Lexington. On March 22, 1985, Governor Charles S. Robb signed the Virginia Horse Center into law. Then on August 13, 1986, Governor Gerald L. Baliles hosted the groundbreaking ceremony for the new Virginia

Horse Center which would be owned and operated by a 501(c) (3) Foundation known as the Virginia Horse Center Foundation (VHCF).

From 1986 until 2007, the Virginia Horse Center existed as a public-private partnership with the Commonwealth of Virginia. A publicly appointed board oversaw operations while a private board envisioned how the center could grow, and located philanthropic dollars to make such projects possible. In 2007, the partnership between Virginia and the VHCF was dissolved and the Foundation board was awarded the land through a United States Department of Agriculture loan, making the VHC a wholly private entity. (www.horsecenter.org/About/The-Foundation.aspx)

Palm Beach International Equestrian Center (Wellington, Florida): Made possible by an 8,000-acre equestrian preserve set aside by the City of Wellington, Florida, the Palm Beach International Equestrian Center is owned and operated by Wellington Equestrian Partners (WEP), a privately owned company. WEP operates the Palm Beach International Equestrian Center on just of 500 acres of the total 1,000 acres they own within the preserve. Current and future plans call for the expansion of the center as a multi-use venue on the remaining acreage. Recent news from Wellington confirms a dispute between WEP and Wellington Equestrian Preservation Alliance regarding the expansion and further development of the land. However, when the City of Wellington set aside the 8,000-acre equestrian preserve, there was never a master plan completed that controlled development. (www.horsemenonline.com/?p=1154).

Kentucky Horse Park (Lexington, Kentucky): Sold to the Commonwealth of Kentucky in 1972 from private ownership, the Kentucky Horse Park opened in 1978 as the “world’s first

horse park dedicated to man’s relationship with the horse.” (http://kyhorsepark.com/index.php?option=com_content&view=article&id=4439&Itemid=489). Today the park is still owned by the Commonwealth of Kentucky, operating within the state’s Tourism, Arts and Heritage Cabinet. Park growth plans and facility expansion are governed by a Master Capital Improvement Plan for the Kentucky Horse Park.

Analysis of comparable horse parks in the United States indicates three possible versions of management structures for the proposed horse park. The first version is privately owned and operated, the second version is publically owned and privately operated, and the final version is publically owned and operated. Regardless of the management structure involved/selected, the one common element for all parks is the need for an approved master development plan.

A common theme amongst focus groups, town hall meetings and stakeholder surveys is that Aiken is extremely proud of its equine heritage and there is an overwhelming demand to preserve that heritage and the green space necessary for equestrian activities. The management structure that most threatens the preservation of that heritage is total private ownership and operations. However, while the stakeholders survey showed strong support for an international horse park with 65 percent supporting the idea, 25 percent being neutral and only 10 percent opposing, the town hall meetings and focus groups were clear in that they did not want to underwrite the financing of a \$100 million venue. It is important that the operation created adheres to a master development plan that ensures preservation of the area’s heritage and necessary green space.

Potential Economic Impacts

One objective of this study was to assess the economic impact and feasibility of building a world-class international equestrian center in the Aiken MSA County Region of South Carolina. The study was designed to provide quantitative and qualitative measures of the ways that equestrian-related events impact the economy. Although economic impact models have been designed for other professional racing and sport organizations, relatively few models were found in the literature to estimate the economic impact on a rural economy such as the Aiken MSA region. This study therefore used the Impact Analysis for Planning Model (IMPLAN) software to describe, assess and analyze the potential economic impact on the Aiken MSA region of South Carolina. The study involved researching data from previous steeplechase events in the state, as well as making spending forecasts for additional horse-related events and facility entertainment.

Both the community and potential visitor surveys referred to earlier in the report asked respondents about their spending habits related to equestrian and associated tourism activities. This allowed the team to make some assumptions about potential spending related to a new international horse park on items such as gasoline and other transportation, food and entertainment, tickets, lodging, shopping, parking and other event expenditures. A multiplier effect was derived to trace the indirect effects of the initial spending. A regional input-output model using four digit Standard Industrial Classification data was used to divide the economy into 309 sectors described by data which traced money flows from industry to industry.

Data included the estimated attendance figures at the future equestrian center and related events, ticket prices for each section, and expenditures made in the study area. Financial estimates were forecasted using other equestrian center financial information and extrapolated to verify the organization’s expenditures during a twelve-month period. Other special events not related to the future venue were included in the summaries. A limitation is the implicit assumption that all first round spending attributable to regional equestrian and horse-related activities is net new spending for the local area, either export sales or import substitutions. Spending on equestrian sports and entertainment may merely redistribute preexisting local or regional spending. A dollar spent at the equestrian event or an adjacent restaurant may be merely one dollar less spent on entertainment elsewhere in the region.

Table 1: Estimated utilization of the proposed horse park

Estimated Utilization Category (High)	Proposed Aiken Equine Park	
	Number	% of Total
Event Days		
Equine related	200	67%
Non-Equine	100	33%
TOTAL	300	100%
Attendee days		
Equine related	430,135	75%
Non-Equine		
Special Events	115,000	20%
Other	25,714	5%
TOTAL	570,849	100%

Estimated Utilization Category (Medium)	Proposed Aiken Equine Park	
	Number	% of Total
Event Days		
Equine related	150	67%
Non-Equine	75	33%
TOTAL	225	100%
Attendee days		
Equine related	322,601	75%
Non-Equine		
Special Events	86,250	20%
Other	19,286	5%
TOTAL	428,137	100%

Estimated Utilization Category (Low)	Proposed Aiken Equine Park	
	Number	% of Total
Event Days		
Equine related	100	67%
Non-Equine	50	33%
TOTAL	150	100%
Attendee days		
Equine related	215,067	75%
Non-Equine		
Special Events	57,500	20%
Other	12,857	5%
TOTAL	285,424	100%

Table 1 estimates the event days based on the survey data collected from the community and potential visitors. Potential utilization information was also garnered from WestWorld, Virginia Horse Park, Palm Beach International Equestrian Center, the Kentucky Horse Park and other relevant equine data sets. With low utilization, the new horse park can expect to attract approximately 285,000 attendees for the 150 events in the park – two thirds of those being equine-related. With medium utilization, 225 events would generate attendance of about 428,000; and with high utilization the new horse park could expect to attract 300 events with attendance of approximately 570,000.

Table 2 estimates the annual economic benefit of the proposed horse park. This is based on spending of potential attendees including spending on tickets, gasoline, venue concessions, shopping, rental cars, lodging and other entertainment before and after equine events or entertainment activities. Based on the three scenarios presented in Table 1, the horse park would have an annual spending impact of about \$25 million at low utilization, \$38 million at medium utilization, and \$50 million at high utilization. At each level of utilization, the new horse park would generate 384, 575 and 767 full-

Table 3 indicates the estimate for Annual Indirect Business Taxes that would be generated from the horse park. The table indicates using the low, medium and high utilization scenarios of \$1,943,368 (low), \$2,915,503 (medium), or \$3,886,737 (high) that could be generated in indirect business taxes from the impact assessment of the horse park on the Aiken MSA regional economy. Local, county, state and federal government agencies benefit from the economic activity. Indirect taxes are production taxes only, not income or property taxes. Production taxes include sales, excise, license and fee tax or assessments levied by government entities on the purchasing public. The attendee demographic identifies a middle-age, higher income fan and therefore the taxes would be progressive, inelastic, and not regressive in nature to the community.

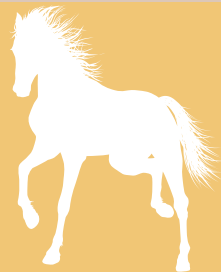
In conclusion, the potential economic impact of the proposed multi-use horse park on the Aiken MSA region of South Carolina could be quite significant. At medium utilization, the facility would attract 225 events to the park, attracting approximately 428,000 attendees. This would have an annual spending impact of about \$38 million, generating 575 full-time jobs and \$2.9m in indirect business taxes. The new horse park will also have a significant impact on infrastructure and diverse economic benefits to the Aiken MSA. Additional jobs will be created in construction of the facility and supporting services.

time jobs respectively.

Table 2: Estimated annual economic benefit (without venue cost)						Utilization		
						Low	Med	High
Estimated Annual Economic Benefit (without venue costs)						Aiken MSA		
Spending								
	Direct Spending					\$ 17,893,571	\$ 26,840,356	\$ 35,787,141
	Indirect/Induced Spending					\$ 7,585,686	\$ 11,378,528	\$ 15,171,371
	TOTAL Spending					\$ 25,479,256	\$ 38,218,884	\$ 50,958,512
Total Earnings						\$ 10,035,440	\$ 15,053,160	\$ 20,070,880
Total Employment (FTE's jobs)						384	575	767

Table 3: Estimated Indirect Business Taxes – Aiken MSA

						Utilization		
						Low	Medium	High
Estimated Annual Indirect Business Taxes (IBT)						Aiken MSA		
Admissions and Amusement Tax								
	Inside the Equine Park					\$ 57,819	\$ 86,728	\$ 115,637
	Outside the Equine Park					\$ 24,126	\$ 36,189	\$ 48,251
Accomodations Tax						\$ 347,119	\$ 520,679	\$ 694,238
Personal Income Tax						\$ 412,633	\$ 618,950	\$ 825,266
Sales and Use Tax						\$ 1,050,717	\$ 1,576,075	\$ 2,101,433
Coprorate Income Tax						\$ 50,955	\$ 76,433	\$ 101,910
GRAND TOTAL IBT						\$ 1,943,368	\$ 2,915,053	\$ 3,886,737



Recommendations

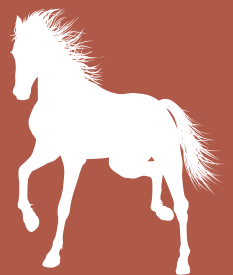
1. Proceed cautiously with a phased approach

Despite the general support for the idea of a new international multi-use horse park in Aiken, there is clearly a small, but powerful group of residents opposed to the concept. In addition, costs to build a suitable facility could be over \$100 million, and the payback period for this investment is likely to be several years. We therefore recommend stakeholders in Aiken proceed cautiously with a phased approach to development. Such a phased approach should begin with the construction of facilities that can serve multiple equine disciplines. An indoor arena for example, with 5,000 to 12,000 seats and a surface area of 150 x 300 feet, could be built to serve jumping, dressage, indoor polo, and rodeo needs. An outdoor pavilion with the appropriate surface area for jumping and dressage also meets the needs for reining, rodeo, and the dressage portion of carriage driving. A cross-country course, if expanded beyond the maximum cross-country length of 4 miles to 6 miles, would also serve the needs of the “combined driving” discipline. If the space needed for educational facilities is designed in the appropriate manner, it can also serve the needs of other activities which both stakeholders and visitors feel are important to an international horse park. These could include a visitor center, a museum, banquet facilities and conference facilities.

Experience from previous projects of this nature suggests that extensive planning is critical for survival, so an approved Master Development Plan should be prepared. Analysis of comparable horse parks in the U.S. and elsewhere indicates three versions of management structures for the proposed horse park. The first version is privately owned and operated, the second version is publicly owned and privately operated, and the final version is publicly owned and operated. Financing an international equine park in the Aiken area could include a mix of sources, including state economic development money and federal grants.

Once the facility has been conceived, employment of an experienced management team to run the facility is essential. Working to extend and expand the equine events calendar also seems critical to sustaining any large horse-related facility. The recommended total acreage for the horse park is between 750 acres and 1,200 acres. Ease of access to the Interstate is important for both participants and spectators, and the ideal location for the park would be on the I-20 corridor north of—but reasonably close to—Aiken.

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2. Consider social and environmental implications along with potential economic impacts

Although the development of a new horse park may indicate a healthy economic impact for the community of Aiken, stakeholders must consider the triple-bottom-line and ensure that the project also results in positive social and environmental impacts. A common theme amongst focus groups, town hall meetings and stakeholder surveys is that Aiken is extremely proud of its equine heritage and there is an overwhelming demand to preserve that heritage and the green space necessary for equestrian activities. Major concerns, particularly from those already in the equine business, were the fears of losing the flavor and character of Aiken, and the potential cannibalization of existing equine businesses. A great deal of concern was expressed about horse parks nationwide typically operating at a loss, and the fact



that a new facility would just bring more competition to an already saturated market. Community outreach and education is therefore critical to ensure the support and involvement of local residents.

The new horse park should also develop diverse, environmentally friendly strategies to encourage sustainability. There is strong support in the community for LEED certified facilities and environmentally sensitive development. Developers will need to plan for the future: savings from environmental initiatives are usually realized long term, roughly five to ten years post-implementation. A sustainable facility will be able to promote its green initiatives and build community pride through cutting edge technology that has health as well as money saving potential. Staff training and education will be critical and the new facility should consider employing a ‘green team’ to address issues related to resource consumption and waste generation.

Aiken also has the potential to leverage events at the new horse park well beyond the obvious economic impacts. In recent years host destinations have become increasingly interested in using events as catalysts for generating beneficial economic, social and environmental legacies for host communities. The staging of events is often used to justify a range of ancillary urban projects related to urban renewal and regeneration. Events are also used for destination branding purposes, as well as for public and private sector investment in local businesses. They have even been used to build local pride in a community. This is event leveraging, a subtle but significant strategy for extending the range of tangible and intangible benefits from events. It is therefore recommended that stakeholders involved in the development of the new horse park examine leveraging strategies used by event organizers elsewhere that have generated substantial benefits from hosting events – well beyond the immediate economic impacts.

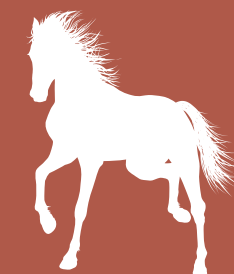
3. Create a multi-purpose venue

The 1990’s and 2000’s saw United States sports venues move away from multi-purpose venues in favor of more intimate single-entity facilities. Pittsburgh, Denver, Seattle, Minnesota and many other cities around the U.S. focused on building single-entity venues. Today, in light of recent economic downturns, sport and entertainment venues are now reverting to multi-purpose usage as a means to drive incremental revenue. If an international horse park in Aiken is to survive and prosper, it must employ strategies to create a multi-functional facility that generates revenue from within and outside of the equestrian industry. After multiple horse park site visits, combined with the results of community and visitor surveys, the following strategies emerged as ways to maximize revenue from an international horse park in Aiken.

a. Expand the facility capabilities to serve the needs of a broader horse industry

The visitors’ survey indicates that visitors and potential visitors to Aiken participate in multiple equine related activities beyond the more popular disciplines of jumping, dressage, polo and steeplechase. The survey indicates these visitors also have an interest in fox hunting, pleasure riding, hunters, breed shows, endurance, natural horsemanship, rodeo, cutting, racing, roping and many more equine disciplines. By expanding the facility’s capabilities to serve the broader interests and needs of this community, an international horse park will be able to maximize revenue. Feedback from both the community and visitor surveys provides insights into the types of facilities with cross functionality that are important to the

The new horse park should also develop diverse, environmentally friendly strategies to encourage sustainability.



equestrian community and that can serve multiple disciplines. As mentioned above, an indoor arena can be built to serve jumping, dressage, indoor polo and rodeo needs; an outdoor pavilion could meet the needs for reining, rodeo and the dressage portion of carriage driving. A cross-country course, if expanded beyond the maximum cross-country length of four miles to six miles, would also serve the needs of the “combined driving” discipline. If the space needed for educational facilities is designed in the appropriate manner, it can also serve the needs of other activities which both stakeholders and visitors feel are important to an international horse park. These could include a visitor center, a museum, banquet facilities and conference facilities.

b. Provide appropriate support services (equestrian and non-equestrian related) necessary for international competition.

The potential visitor survey shows that two thirds of the equestrian tourists travel because of certain competition/events held at a particular horse park, supporting the notion that equestrian travelers have a high propensity to be identified with the event. Therefore, it is important for the proposed international horse park, and surrounding community, to deliver the appropriate equestrian-related support services as a way to capture incremental revenue.

According to the surveys, the appropriate equine/equestrian support services that rank the highest in need are parking for trailers, horse boarding and veterinarian services. Likewise, the same respondents identified concessions, restaurants and hotels as the appropriate non-equine/equestrian support services that rank highest in importance. During site visits and discussions with international equestrian participants in

Wellington, Florida and Lexington, Kentucky, the requirement for proper horse boarding and veterinarian services were especially highlighted as important. For horse boarding, it was noted that some events draw boarding needs for up to 3,000 to 5,000 horses. Based on the current availability in Aiken, more are needed if Aiken is going to attract international competitions. Additionally, the same group of international equestrian participants emphasized the need for proper veterinarian services required for international competitions, in particular noting the need for a surgical center. According to the focus group discussions, Aiken does not currently offer the necessary veterinarian services needed for international competition.

As to the non-equine related support services, hotels in particular are of concern. According to SCIWAY, South Carolina’s Hotel Experts, Aiken’s hotel groups are broken into four areas (downtown, USC Aiken, Northeast and South) and provide a total of less than 1,200 rooms. For international competitions drawing



upwards of 50,000 to 60,000 people, more rooms are needed. In comparison, Lexington, Kentucky, home to the Kentucky Horse Park, offers 7,400 rooms and Palm Beach, Florida, home to the Palm Beach International Equestrian Center, offers 16,000 guest rooms. Aiken therefore needs to upgrade appropriate services, or participants and spectators will spend their dollars in surrounding communities.

c. Create entertainment opportunities beyond the equestrian activities that satisfy both local and visitor consumer demand.

While an international horse park and the surrounding community will benefit from equestrian tourism by satisfying equine related needs, the two can further benefit if they are able to satisfy the entertainment needs of this same group. According to the survey, there are multiple entertainment events/options that equestrian tourists find important beyond equine related activities. The most important type of entertainment equine tourists are interested in is restaurants/dining. Having a mix of restaurants on or near the property is a good way for Aiken to generate incremental revenue. Concerts/music, shopping and local events also received strong support from equine tourists. If the proposed international horse park doesn’t provide the services for these three categories, outside entities will. It is also imperative for the venue to maximize revenue by creating entertainment opportunities beyond equestrian activities that meet local consumer demand. The four primary entertainment options for locals are concerts/music, local events, shopping and restaurants.

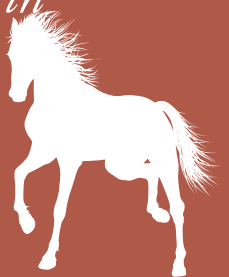
An analysis of concert/music locations shows that the only real local option for Aiken is the USC Aiken Convocation Center which has capacity for only 4,100 consumers. Travel options

for Aiken residents for music do exist, but they are outside of Aiken so the economic benefits go to outside communities. Such options include the James Brown Arena in Augusta, GA (capacity of 9,167), Colonial Life Arena in Columbia, SC (capacity of 18,000), Bi-Lo Center in Greenville, SC (capacity of 15,000), Philips Arena in Atlanta, GA (capacity of 21,000) and Time Warner Cable Arena in Charlotte, NC (capacity of 17,000 for concerts). An arena at the international horse park with seating capacity of between 5,000 and 12,000 seats would create more local entertainment options for Aiken residents.

d. Embrace events beyond the needs of the equine/horse community that fit the venue capabilities.

Just as Jerry Jones and the Dallas Cowboys’ new venue embraces the notion of non-football related events hosted in a football stadium, so too must an international horse park. Empty facilities generate no revenue and if the proposed international horse park in Aiken is to succeed, it must look to maximize revenue through multiple event days. Since there are only a limited number of international horse events, the venue must look to embrace events that fit within the venue’s capabilities. For instance, a four to six mile cross-country course, with very little alteration, can also fit the needs for either mountain bike racing or track and field cross-country events. USA Cycling, the governing body of Mountain Bike Racing in the United States, is comprised of more than 2,500 clubs and teams, has 34 local associations, and sanctions over 3,000 events in the U.S. each year. Likewise, an indoor arena and an outdoor pavilion are easily adaptable to multiple non-equine events. For example, Altech Arena at the Kentucky Horse Park was home to the Kentucky High School Athletic Association’s 2012 State Wrestling Championships.

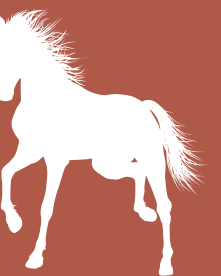
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In sum, three major recommendations are provided for the potential development of the international multi-use horse park. They are as follows:

1. to proceed cautiously with a phased approach,
2. to consider social and environmental implications along with potential economic impacts, and
3. to create a multi-purpose venue. In order to maximize revenue from an international horse park in Aiken, the following strategies are suggested by the research team:
 - a. expanding the facility capabilities to serve the needs of a broader horse industry,
 - b. providing appropriate support services for international competition,
 - c. creating entertainment opportunities beyond the equestrian activities for local and visitor consumer demand, and
 - d. embracing events beyond the needs of equine/horse community that fit the venue capabilities.

Create entertainment opportunities beyond the equestrian activities that satisfy both local and visitor consumer demand.





A Feasibility Study for an International Horse Park in *Aiken, South Carolina*

A Study Conducted by the
SmartState Center of Economic Excellence
in Tourism & Economic Development
at the University of South Carolina



UNIVERSITY OF
SOUTH CAROLINA
College of Hospitality, Retail
and Sport Management